Our Toughest Trade Problem (p. 11)

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The Nation's Business

Party Politics Brings Unwanted Election

It now seems certain that Canada will very shortly be thrown into a general election. Mr. King's thinking seems to be that the North Grey situation affords him a suitable opportunity to go to the country, seek a fresh mandate from the Canadian people, avoid any artificial lengthening of Parliament's life, and avoid also the need for an election during the reconstruction months immediately following victory.

From the party point of view, calling an election now would quite probably be astute election strategy.

The Financial Post deplores an election during war. Early in the struggle, The Post urged that Canada fight total war with total government: with a national government, not party government.

Canada's war record, in most respects, is superb. In other respects, we are convinced that, with national government, it would have been better; that needless stresses and strains to our national unity would have been avoided; that we would enter the dangerous days after peace better prepared to meet those challenging problems whose solution will affect what remains of life to every Canadian, and the lives of his descendants.

Everything points to this being an extremely bitter campaign. At the gravest hour of freedom's cause, the most desperate months of our national history, we shall be living in a barrage of sticks and stones, mud and ripe vegetables. Partisan conflict will scrape the body politic at every sensitive spot; will batter at every crack in the foundations of our national unity.

Seizing a moment like this to stage an election is to be expected of Mr. King whose entire public life has been marred by overemphasis on partisan government.

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The Case of the $11-a-week Banker

Kicking the chartered banks is a widely popular sport these days. So, when an $11-a-week bank clerk kills a bank robber, then loses his suit for $10,000 reward, there is little disposition to do much other than to leap to conclusions and fortify prejudices that salaries in all banks are shockingly low; that here is a gross instance of the big and the wealthy ganging up against the little and the poor.

Here are a few facts that have been submerged in the torrent:

First—A salary of $11 a week for a 21-year-old with one year's experience in banking is probably unique in Canada. No matter what the "economic value" of the capacities and services of bank employees of that status, the chartered banks generally pay a substantially higher figure, as revealed in evidence before last year's sessions of the Banking and Commerce Committee:

Second—The Canadian Bankers' Association promises no reward to anybody for assistance in apprehending bank bandits. What it does say is that it may, within its discretion, reward persons assisting in the catching of bandits.

Hence, the suit of the ex-bank clerk, A. Roger Lepine, demanding $10,000 from the Canadian Bankers' Association was not in any sense a demand that the CBA live up to an undertaking; simply a demand for a hand-out.

Third—Long-established policy of the chartered banks has been that bank clerks who assist in apprehending bandits in no way participate in any possible reward offered by the Bankers' Association, but that they get rewards, if any, from the management of their own bank.

La Banque Provinciale du Canada gave Lepine a "bonus" of $50. For a typical bank reward to an employee helping with bandits, multiply that figure by 10 or 100, both resulting sums being very much closer to general practice than the $50 paid in this case.

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In view of the fact that the banks are insured against theft, we cannot imagine that they encourage employees to risk their lives, nor the lives of customers, by too heroic action when bandits appear. Nor do we imagine it would be sound policy to dangle big rewards before bank clerks. It might, in some cases, simply be incitement to conspiracy to wrongdoing.

The judgment of Mr. Justice Loranger is quite remarkable.

"People sometimes ask themselves how it is that these attacks on the banks are increasing. It is because the banks in general do not sufficiently protect their employees against attacks of this kind, and when these faithful employees have an excess of zeal and succeed in preventing a theft, the banks entrench themselves behind technicalities and refuse to recognize the fine action which has been performed. There is also perhaps to be found here one of the causes of the numerous and unhappy quarrels between Capital and Labor . . . The position taken by the defendant certainly does not raise it in the esteem of the public."

That is an extraordinary irrelevancy. At considerable length the judge went on to say how much he regretted that he must go against his feelings and dismiss the case.

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Revealing, too, is an interview between Lepine and The Standard, Montreal, which reports that he made no effort to get a reward "until urged by a friend who was one of the organizers of the 1942 bank strike."

Untangling the knots of misinformation and sentiment that are mixed up in this case is important. When the Bankers' Association was served with a writ making claims for which it was not responsible, it naturally defended itself, sought to clarify and protect its legal position. The Association was no more responsible for paying a reward than it was for fixing Lepine's $11-a-week salary. The Banque Provinciale would do well to clarify its position on salaries. Widespread and heated comment on this incident amply demonstrates that $11 a week wins no public support nowadays.

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King-Drew Clash Calls for Haste

In a couple of recent radio addresses, Ontario's Premier George Drew has renewed his calls on Mackenzie King for early assembly of a Dominion-provincial conference. While he did so, Mr. Drew bitterly attacked Mr. King on assorted grounds, but chiefly on the claim that Mr. King was interfering improperly in provincial affairs and was plotting to maintain and increase that interference after the war.

We cannot follow along with those many writers who cite Mr. Drew's allegations against, and obviously passionate antipathy for, Mr. King as any justification for deferring this most urgent of all conferences in our national history.

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It isn't because of agreement that Churchill, Stalin and Roosevelt will shortly be meeting. It's because of disagreements; because of anxious desire to narrow the areas of disagreement and achieve some progress along the lines of mutual understanding.

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In just the same way, it seems to us that the violence of antipathy and the volume of matters in dispute between Mr. King and Mr. Drew increase the reasons for getting ahead with the Dominion-provincial conference as soon as possible.

Then, when Canada's 10 premiers get to the conference table, the public will have a chance to appraise each man's performance. If the conference is to be sabotaged, let's get to it right away and get the saboteurs clearly marked.

Newsprint Price Rise Considered

U. S. Authorities to Make Known Decision Shortly—Urged by U. S. Producers

By DWIGHT MOODY

MONTREAL — That a further price increase for newsprint may develop shortly is now regarded as possible.

The last price change for newsprint was in 1943, when two increases of $4 a ton each, or total of $8, were approved by price control authorities in the United States, chief market for Canadian newsprint. The $8 upward price adjustment was aimed to take care of increases in costs from start of the war.

Since the 1943 price decisions, costs, particularly pulpwood costs, have continued upward, and both United States and Canadian mills have been pressing for further price adjustment.

In the United States, the higher cost situation has contributed to a decline in production, and U. S. mills have been actively urging a higher price, the industry warning that unless this is approved a number of marginal mills will have to close down this year.

Decision Soon

In response to this agitation, the OPA, the U. S. price control body, has promised to review latest cost representations, and has undertaken to give a decision as soon as 1944 fourth quarter results can be examined. At the same time, submissions by Canadian mills through Ottawa authorities will be considered.

If a higher price is ruled for U. S. mills, the same price will extend to shipments from Canada—the new price will be general in the U. S. market, irrespective of origin of the newsprint.

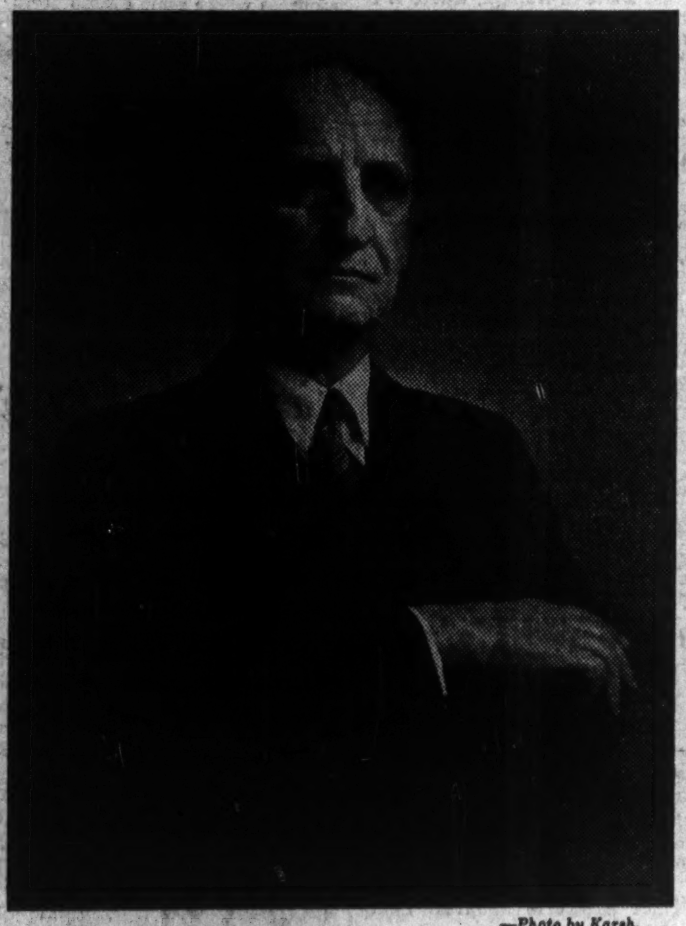
Until the Washington decision is made known—perhaps in a few weeks—no definite forecast can be made, but current guessing in newsprint circles is that no very drastic upward adjustment is to be expected; that any increase is likely to be moderate.

Vacancy May Void Fire Insurance

Under the Ontario Insurance Act, a fire insurance company is not liable for fire damage to a building "vacant or unoccupied" for over 30 days unless permission is given in the policy or endorsed on it.

A judgment of the Ontario Court of Appeal last week rules that occasional overnight and week-end stays at a property don't constitute occupancy within the meaning of the insurance act. Accordingly the owner of a house unoccupied for more than 30 days except for occasional stays, can't claim indemnity from his insurance company if he has a fire, unless the policy terms cover the situation.

When a property is likely to be unoccupied for over 30 days, according to this interpretation of "occupancy" the owner should notify his insurance company and obtain the necessary permission, insurance lawyers say.



—Photo by Karsh.

CO-OP PROBE CHAIRMAN

The Royal Commission on Co-operatives, now holding hearings in Vancouver, is chairmanned by a third generation jurist: Hon. Errol Malcolm William McDougall, Justice of the Court of King's Bench in Montreal, son of the late Hon. Mr. Justice J. M. McDougall, grandson of the late Hon. Mr. Justice Wm. McDougall. Born in Three Rivers in 1881, educated in Montreal and Edinburgh, he was called to the Quebec Bar in 1906, first appointed judge (Superior Court, Quebec) 26 years later. His new duties will involve a cross-country cavalcade lasting at least three months, will lead him into two of Canada's thorniest problems: taxation in general, and (by implication) the future pattern of industry and trade.

See Provincial Rights Crusade Gaining Ground

By KENNETH R. WILSON

OTTAWA—A strong provincial "rights" movement is coming to a boil under the leadership of Premier Drew and in close harmony with Premier Duplessis. It is understood here that some other provincial leaders (though not all) have been approached. So far, Ontario and Quebec seem to comprise the chief provincialists. Other provinces showing mild or varying degrees of enthusiasm.

One specific formula outlined recently by the Winnipeg Free Press as having been put forward is this: that the present agreements should be terminated either now or at the end of the war. (The provinces have the right to give six months notice of termination at any time. In so doing they would forfeit their right to the subsidies now being paid them.) On termination, the Federal Government would be required to carry out its prior agreement to reduce the corporation tax (now 40%). The amount of the reduction, suggested at 10%, would continue to be collected by Ottawa on behalf of the provinces and turned over to the provinces on the basis of retail sales volume in the respective provinces.

There seems doubt, however, if the Drew approval, at least so far, has been quite so specific.

This week at the Canadian Construction Association meeting at Quebec, Premier Duplessis strongly opposed a proposal which he said was made to him by J. C. Macfarlane, president of the Canadian Manufacturers' Association, that the province should cede corporation, income and succession duty tax rights to Ottawa. This type of opposition has been coming to the surface as well in recent statements of Premier Drew and meetings of provincial officials.

Behind all this is the concern of many of the provinces for definite indications of what their postwar financial position will be. Many provinces regret that no federal-provincial conference was held last year, would, apparently, favor a meeting of provincial premiers if there were some specific proposition to discuss. But they would prefer first to have a more definite idea of where Ottawa stands.

It is this restlessness, apparently, that Premier Drew is now said attempting to use to make a tax agreement with Ottawa, possibly to present the view (reportedly held in in Ontario and Quebec) that family allowance payments should be a matter of provincial rather than federal administration.

Plane Plants Make Parts For the B-29

Boeing at Vancouver, Canadair at Montreal Aid U. S. Production of B-29's and PBY's

By KENNETH R. WILSON

OTTAWA—Canada is now making parts for the famous B-29 planes, The Financial Post is informed.

As well, the Canadair (formerly Vickers) plant in Montreal, has been pressed into service to produce parts for PBY's (Catalinas) to help out the increased demand from United States.

In all, between 6,000 and 7,000 workers are employed on these two important new contracts, it is learned.

Both these contracts came at a time when aircraft production in Canada was tapering down to something of the level it is expected to reach during the Pacific war. Among other aircraft contracts which were coming to an end were contracts for PBY flying boats which have been manufactured both at the Boeing plant in Vancouver and at the government-owned Canadair plant at Cartierville, Montreal.

Manufacture of parts for American PBY planes involves no new program since the plant merely continues to turn out production items which formerly went into the assembly of the Canadian-built Canso version of the Catalina (The Canadian contract is only now coming to an end).

In the case of the Boeing plant at Vancouver, the assistance it is now giving to the Americans by way of production on parts, etc., for the B-29's is an entirely new program. Reason for it is the same that has poured tens of millions of dollars worth of war orders across the border in recent weeks—the complete revamping of American war output following the change in events in Europe.

Currently there is no over-all manpower shortage in Canadian war plants. Increased efficiency of labor and excellent co-operation on the part of NSS in shifting men from one part of the country or from one plant to another is credited with the satisfactory situation.

Dividend Action For H. Smith Com.?

From Our Own Correspondent

MONTREAL—More than usual interest is being attracted to the regular meeting of directors of Howard Smith Paper Mills, Ltd., late this month, in view of reports of impending important announcements.

Last April, President Harold Crabtree stated at the annual meeting of stockholders that he was hopeful that before another annual meeting was held action could be taken to place the common stock on a dividend basis.

Also, there recently have been reports that the company would refund its bonds and those of its subsidiary, Canada Paper Co.

Canada Talks Export Of Houses to Britain

Prefabricated Emergency Housing For U. K. May Come From Canada's Mutual Aid; Plywood, Timber, Aluminum Models Now Under Study

By STAFF WRITER

OTTAWA—Decision as to whether Canada will supply prefabricated emergency housing units to Britain in the near future, rests on matters of high policy respecting Mutual Aid and this country's trade and fiscal relations with Britain, The Financial Post is informed.

If Canada did, a sum of between $15 and $20 millions would be earmarked out of Mutual Aid appropriation in 1945-46, for fabrication in Canada of something up to 10,000 housing units complete with toilet and kitchen facilities.

Until the questions of Mutual Aid for 1945-46, and dollar-pound relationships generally, which are now under active consideration here, are settled, no decision on prefabricated housing can or will be reached. This whole matter has not, apparently been given cabinet attention, as yet, athough it has been under study by high officials for some months.

Until recently, Canada had been in active negotiation with Britain for the supply of prefabricated emergency housing. One such house (plywood) has already been shipped to Britain from the West Coast. The model for another (timber) is now in Britain. A third, made from aluminum, has been under study here by a group of experts for several months.

Total Need: 300,000 Units

Total British need for emergency housing is now placed by official order at approximately 300,000 units. Thus even if the entire demand for 30,000 units from U. S. A. were met, there should still be a market opportunity for Canada.

At the moment, the only way this need can be filled by Canadian suppliers would be for Canada to earmark the necessary $15 to $20 millions out of forthcoming Mutual Aid appropriation.

Apart from emergency housing, the larger market for new housing in postwar Britain still remains unsettled. Britain has already earmarked about $150 millions of timber from Canada to be supplied during the two years immediately following cessation of hostilities in Europe. But with probably 4½ million new houses being required in Britain after the war, any agreement that could be reached for use by U.K. of houses prefabricated in Canada would be of considerable consequence.

Emphasis on Prefabrication

But despite these difficulties, various groups are continuing to explore the fabrication field both for postwar domestic use and for export to Britain or other overseas markets. One group in Canada is considering a 2-story-type prefabricated house with 700 to 800 square feet of floor as a postwar possibility.

In regard to the aluminum house, work on this has been progressing for some time at the Fairchild plant at Longueil, P.Q. This type of dwelling has obvious advantages and would be of great importance to Canada, but cost is said to be about 20% greater than plywood. If sufficient volume could be developed this handicap might be considerably lowered or perhaps removed.

The housing which Britain requires for her emergency program is of standard size to fit standard foundations. Each house would be of uniform shape and design, 24 feet square with flat roof and no basement. Accommodation consists of a living room, two bedrooms, kitchen and bath.

Furniture Subsidy to Go As Board Tailors Policy

By STAFF WRITER

OTTAWA—Next step in streamlining subsidy policy under WPTB will be removal of the present subsidy on furniture, The Financial Post is informed. The present subsidy has been 2% since January, 1944. Prior to that it was 5%. Date of removal is expected to be March 1, 1945.

Removal of the subsidy on oranges and the projected change in the furniture subsidy do not mark any violent change in WPTB policy.

Broadly speaking, domestic subsidies such as that given to the Canadian furniture industry, are on the downturn. Import subsidies are, if anything, being enlarged, despite the contrary example of oranges.

More Linen Subsidies

A case in point is linens. Just this week, WPTB officials have authorized subsidy payments on all kinds of linen imports. Previously, subsidy payments were limited to certain types of linens. The change is made to encourage import of any type of article or material which might help alleviate the serious impending shortage of cotton goods.

The reason for discontinuance of orange subsidy is that there is now an OPA price ceiling on oranges in the U. S. But this ceiling is several cents higher than the Canadian ceiling. Theoretically the price of oranges to Canadian consumers should now rise several cents per pound.

Actually it is not expected a full rise will occur. This is because it is believed that knowledge of a Canadian Government subsidy on oranges has prevented free play of competitive forces. In short the Canadian subsidy has been a sort of buffer to absorb close and customary competitive factors which are now expected to maintain prices at or very close to the present level in Canada.

Coast Business Leaders Oppose Check-off Plan

From Our Own Correspondent

VANCOUVER—Suggested amendment of British Columbia labor legislation to provide for the check-off system—in other words, requiring firms to make deductions from payroll for union dues when requested—is being strongly opposed by industrialists on the west coast.

The attitude of industrial executives is that the check-off system, being urged upon the provincial government by the Union of Mine, Mill and Smelter Workers, is a radical and impractical step that may have serious effects.

Those who oppose the union's application—they represent more than 4,000 of British Columbia's leading business and industrial organizations—present five major points in a petition to the government. They are:

1. Government has a duty to maintain industrial peace and the ordinary rights and privileges of any group in the community unless it is absolutely certain interference is necessary in the interest of the whole people.

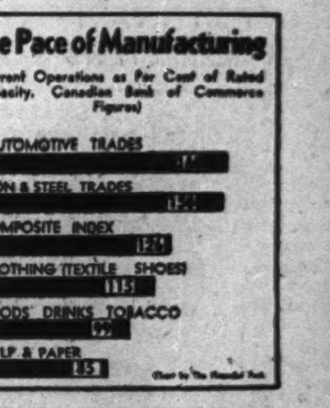
2. With almost 83,000 of the 181,000 men in British Columbia between the ages of 18 and 45 in the armed services, no such drastic change as the check-off system, which leads to the closed shop and complete union control over the right to work, should be adopted in their absence.

3. With unions having no financial responsibility under law, no employer should be bound to a union which might do irresponsible or subversive acts.

4. Union members' control over their executives should be protected in the only effectual measure of discipline at their disposal—the right to withhold dues or to drop out of the union.

5. Industrial peace should be safeguarded by protecting the basis of collective bargaining between employees and employers, a free and equal basis without compulsion or coercion.

Pace of Business



Intensive work, for both men and machines, is behind the present level of Canadian manufacturing production — 123% higher than in 1937. The Canadian Bank of Commerce estimates that Canadian factories—including wartime additions—are currently being operated at 26% over normal levels. Most of the overtime and extra labor is, naturally, in war industry: labor shortage shows up in food, wood products, pulp and paper. Signpost for the future is the indication that the present level of output could not likely be maintained except with (a) continued overtime work or (b) substantial additions to plant capacity.

Co-ops Put On the Defensive

Vancouver Hearings Probe Profits of Tax-Exempt Firms

By GORDON L. SMITH

VANCOUVER — Co-operatives were definitely on the defensive as the Royal Commission under Hon. Errol M. McDougall opened its nation-wide enquiry into their tax position, here, this week. Questioned by Commission counsel and legal representatives of privately owned competitive interests, spokesmen for the co-operatives endeavored to defend their present privileged position of exemption from income and excess profit taxes.

Interest and attack almost from the first five minutes of the enquiry largely concentrated on the "profit" position of the co-operatives—the amount of money taken in each year over and above payments for produce to members and cost of handling.

The co-operatives insisted that this did not constitute a profit but was a surplus due to members at some future date. In some cases it was stipulated that such surpluses, amounting in some cases to a very considerable sum, would be repayable after five or eight years—in the meantime to be used as working capital to develop the organization.

Growth Through Exemption

Spokesmen for the privately owned companies, on the other hand, maintained that these were profits and should be subject to the same tax as is the case with the ordinary joint stock company. They further argued that these profits, surpluses and reserves or whatever they might be termed were being used to build up co-operatives to the point where the very existence of private, taxpaying competitors was menaced. In some cases it was intimated that certain private companies, notably in the dairy industry, have sold out, at a substantial untaxed capital profit, to a co-operative of their own milk shippers with the old management retained. Shippers continued to market their milk through the same organization and paid for the control on a pay-as-you-go basis out of the substantial saving in taxes, the only loser being the Government. In one instance cited, a matter of $200,000 a year in income taxes was lost.

Co-operation was reported growing rapidly in British Columbia and especially in the last three years of increasing taxation. The field is wide, touching dairying, fruit, seed growing, fishing, credit unions, mutual fire insurance, etc. It is especially important in dairying where the whole field of distribution and processing has been invaded.

Extending length of daily sittings and adding a day to Vancouver hearings, the Commission is running behind schedule and it expects that many of the longer briefs here and at other centres across Canada will have to be postponed for further meetings at Ottawa next month. Some 26 briefs were to have been presented at Vancouver alone.

Powers of the commission are wide. They include enquiry into the present position of the co-operatives in the matter of application of income and excess profits taxes, the organization and business methods of the co-operatives, and the comparative position in regard to taxation of private business in direct competition with co-operatives.

Basis of Report

After public hearings across Canada on these three points, the Commission in its report is expected to set forth all the facts "pertinent for determining what would, in the public interest, constitute a just, fair and equitable basis for the application" of income and excess profits taxes "to co-operatives and to persons other than co-operatives in respect of methods of doing business analogous to co-operative methods" (such as payment of patronage dividends) and to "make such recommendations for the amendment of existing laws as they consider to be justified in the public interest."

Stature of Co-operatives

According to the Dominion Bureau of Statistics:

Co-operative business organizations in Canada market 40% of all grain delivered at country elevators, 25% of dairy products, 26% of all fruit and vegetables, 25% of livestock: 32% of all main farm products.

In 1942 (latest year for which Dominion-wide statistics have been released) total business amounted to over a quarter of a billion dollars, of which $42 millions was from sales of supplies, $215 millions from sales of farm products.

Most common and oldest type of co-operative in Canada is the grain marketing group: these sold $87 millions of produce in 1942, $139 millions in 1941.

In 1942, co-operative merchandisers of all types handled $9 millions of food products, $1.4 millions of clothing and home furnishings, $7 millions of petroleum products and auto accessories, $16 millions of feed, fertilizer or spray material, $1.3 millions of machinery and equipment, $2.9 millions of coal, wood and building material, $4.5 millions of other goods.

Canada has about 77 fishermen's associations, doing about $2.6 millions business, 1,486 credit unions with total assets of $44 millions, 365 farmers' mutual fire insurance companies carrying over $1 billion insurance, plus 2,348 telephone co-operatives, 38 hospitalization groups, some housing projects, bus and transport companies, even burial societies.

NEW HEAD-LINES LOOM . . .

into the 1945 hat picture. The brims of your fur felts will be narrower, gentlemen . . . curving gracefully to the fore and aft. There's also a pretty strong rumour that colours will be toned to the male complexion but needless to say, the majority will stick to the old conventional browns, blues and greys. To supplement all this, there's a hopeful promise of English Homburgs arriving in numbers. For the latest, visit your Eaton Hat-Spot.

EATON'S

Northland Mines reports that the second deep drill hole has cut the main zone between 645.5 and 675.5 ft. on its Kirkland Lake property. Core values were low, ranging from 77 cents to $8. However, there were no blanks in a core length of 29 ft.

SERVICE *and* SECURITY

During 1944, The National Life maintained its record of maximum service and increased security for its policyholders.

INCREASED ASSETS Total assets were increased by $1,185,602.02. These funds are available for future benefits to policyholders.

RESERVE FUNDS After providing $119,834.78 for dividends to policyholders, reserve funds were strengthened. Including paid-in capital, such reserve funds now total $717,687.93.

NEW INVESTMENTS An amount of $2,491,922.40 was invested in Dominion Government bonds. Thus, policyholders' premium payments aid Canada's war financing.

NEW BUSINESS New production was satisfactory. Business in force was increased to $81,106,943.

The National Life Assurance Company of Canada

Home Office Toronto — Established 1897

Odeon, Famous Players To Expand in Maritimes

From Our Own Correspondent

MONTREAL — The developing growth of Famous Players Canadian Corp. (controlled by Paramount Pictures, Inc., of the U. S.) and Odeon Theatres of Canada, Ltd. (partly owned by the J. Arthur Rank interests of England) has spread to the Maritime Provinces, where both chains have made new alliances in preparation for large-scale competitive expansion as soon as present restrictions on theatre building are eased.

Last month Famous Players Canadian announced that it had acquired an interest in and formed an alliance with F. G. Spencer Co., Ltd., which now operates 16 theatres in the Maritime Provinces. F. G. Spencer was appointed to direct joint future expansion in the Maritimes and it was announced that new theatres would be erected as soon as possible in Charlottetown, Amherst, Campbellton and elsewhere, while Famous Players independently would build a large new theatre in Saint John.

It is now announced that Odeon Theatres of Canada, Ltd., has formed a partnership with A. I. Garson of Saint John, N.B., who controls two theatres in Halifax and one in Moncton. Odeon has one theatre at present in Halifax, two in Moncton.

Mr. Garson, who is to direct Odeon operations in the Maritimes, already has bought building sites for new theatres in Charlottetown, Sydney, Glace Bay, Amherst, Campbellton, New Waterford and Saint John. Odeon previously had purchased a site in Halifax, where it is intended to erect a large modern theatre. Two sites in Moncton also have been acquired, as well as outside interest in the Capitol and Empress theatres in Moncton.

General Theatres, the holding company for Odeon Theatres, recently appointed a strong board of directors. Directors appointed by the B shareholders — Odeon Theatres Ltd., Great Britain—are:

D. C. Coleman, Montreal; R. V. LeSueur, Toronto; J. Davis, London, Eng., and Leonard Brockington, K.C., Ottawa.

Directors appointed by the A shareholders of General Theatres Corp. are:

George H Beeston and T. J. Bragg, Toronto; Hon. J. Earl Lawson, K.C., and Paul Nathanson, Toronto.

The company, as now constituted, will be completely under Canadian management, with the following officers:

PAUL L. NATHANSON, president and managing director.
T. J. BRAGG, vice-president and secretary-treasurer.
GEORGE H. BEESTON, comptroller.
HON. J. EARL LAWSON, K.C., director and general counsel.
GEORGE PETERS, assistant secretary-treasurer of the company.

Profit $5,000 On CCF Shop

From Our Own Correspondent

REGINA—A profit of about $5,000 was reported for the first fur sale of the Saskatchewan Government's fur-handling agency held here.

This profit was made up of 5% commission on sales, and brokerage and packing charges.

The fur-handling agency, first of the several CCF Government enterprises to have started operations, was set up last fall by the natural resources department. It handles furs and skins for fur trappers, traders and ranchers of Saskatchewan.

A building was bought in Regina for the agency, and it is staffed by about nine persons.

At the fur sale $121,000 worth of furs were offered, of which $91,000 was sold. Other sales are planned for the future, the next being set for mid-February.

Fur ranchers have indicated their favor of the government agency, but fur dealers, most of whom came from Winnipeg, expressed their opposition to the government competition.

Will Build Highway To Filleting Plant

From Our Own Correspondent

REGINA — Because the Saskatchewan CCF government plans to build a road this winter and next summer to Lac la Ronge in northern Saskatchewan, its plans for a fish filleting plant at Lac la Ronge will be revised.

The road now extends from Prince Albert to Montreal Lake but lacked 43 miles to reach Lac la Ronge. The roadwork is being undertaken to furnish a work and wages program for needy settlers and natives who have been hit by the poor fur crop in the north.

In original plans, the fish filleting plant was to have a large storage space, because there was no road out of Lac la Ronge to furnish regular communication. However, with the building of a road, this storage space will not now be needed and the plans will be cut down accordingly.

B.C.E.R. Buys Power in U. S. Pending Bridge R. Expansion

From Our Own Correspondent

VANCOUVER—For several years the B. C. Electric Railway Co. will have to meet its power requirements through purchase of electricity from the United States, according to Thomas Ingledow, vice-president and chief engineer, who says that the company plans to go ahead with development of Bridge River power resources where some 600,000 horsepower is available.

Inability to proceed with this expansion due to war and other conditions has made purchase of power from outside necessary to meet the growing wartime needs of the company.

Mr. Ingledow said that in 1942 an application was made to the federal power controller for authority to harness more of the Bridge River power, but this was rejected, owing to the impossibility of obtaining equipment and materials.

A year later the company was advised that if it re-submitted its application it would be dealt with according to conditions then prevailing, but the company decided that by the time the work was carried out the period of abnormal wartime requirement would have passed. Peak prices would also have obtained.

For that reason the company went to Bonneville Power Administration "with satisfactory results."

The company plans to carry out considerable expansion of transmission lines partly overhead and partly underground. A high voltage double circuit sub-transmission ring around Vancouver, for instance, will be between 25 and 30 miles in circumference.

Ont. to Promote Rural Hydro Use

The decision of The Hydro-Electric Power Commission of Ontario to promote electrical service to rural Ontario as labor and materials permit is shown by the announcement of the appointment of Victor A. Beacock as rural engineer in charge of rural operations.

During 1944, the Commission constructed 400 miles of rural lines and gave service to some 10,000 new customers in farming communities.

MR. BEACOCK

It still has 8,000 unfilled accepted applications for new rural service, and lines will be built and services connected during 1945 as soon as materials become available and are released for construction purposes, it is stated. The severe manpower shortage has and is delaying the construction of new lines, but the Commission hopes to be able to extend rural service to as many new customers during 1945 as it did during 1944.

Manufacturers:

Are You Starting To Plan For Your Post-War Future?

You may have paused for a moment, in the midst of your war production, to ask: *"What are my post-war problems likely to be?"*

We, too, are giving thought to such problems and are making preliminary estimates of our customers' probable requirements in peacetime after victory.

You may think the time has arrived to discuss such matters with your banker. If so, we shall be glad to have you come in and talk with us.

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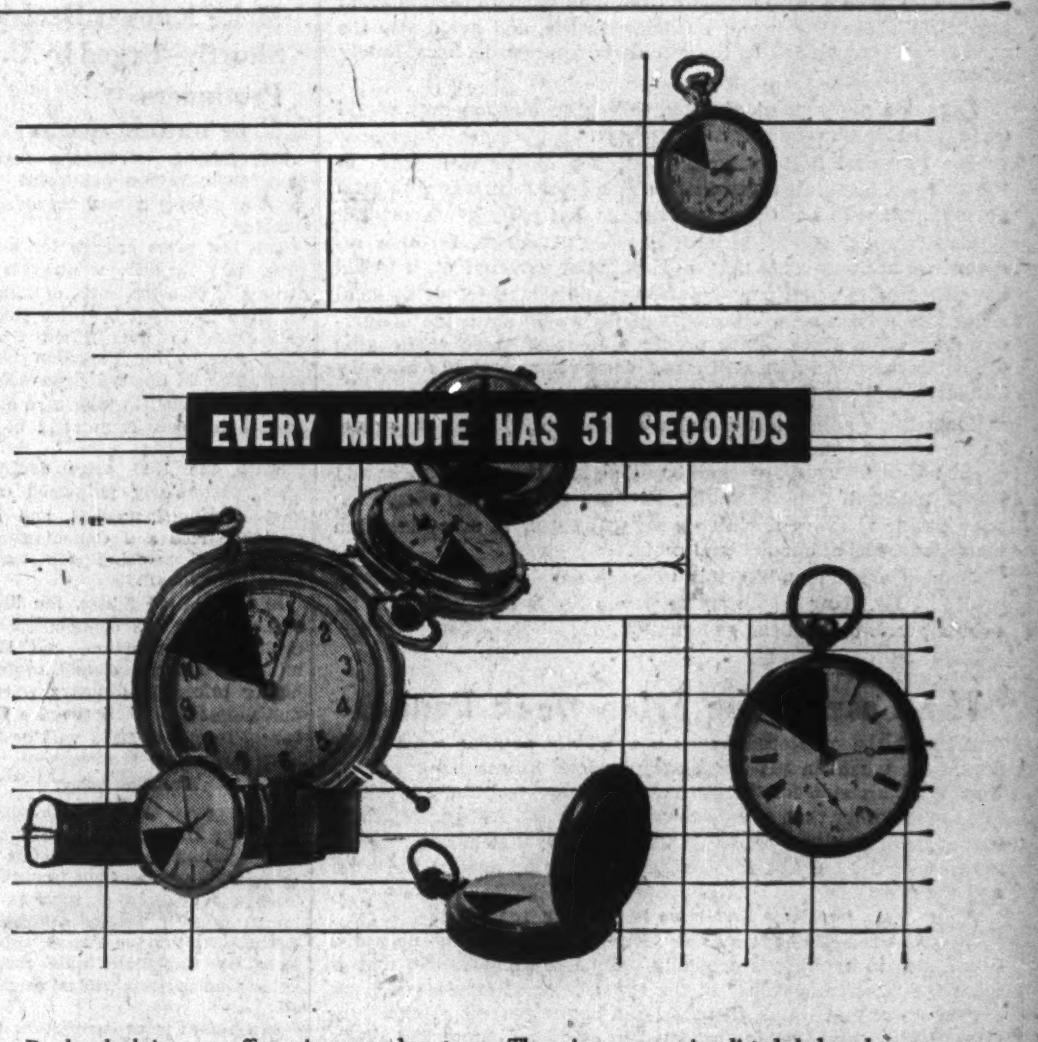
A 211



By the clock in your office, nine seconds out of every business minute are disappearing into thin air.

Nine seconds wasted in *preparing* to fill out business forms, in inserting and removing carbons, in following a system unequal to the complexity of war times, are costing Canadian business millions of dollars each year.

Your business forms *can* be tailored to the times. They can function as a system. They can reduce confusion, cut down paper work, issue clear-cut instructions to many departments at once. They can be custom-built to your own business. . . . Or they can follow grooves long worn too deep, as your expenses mount.

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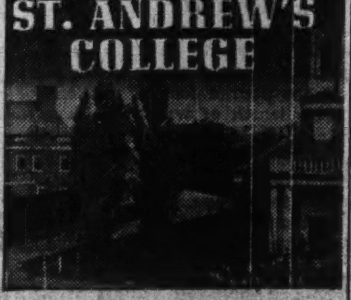

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U.S. May Resume Buying Of Canadian Aluminum

From Our Own Correspondent

MONTREAL — Developments in western Europe, and resultant revived high tempo of armament construction in the United States—including planes—have raised the possibility of increase in Canadian production of aluminum from the present relatively low level.

Last spring, when stocks of aluminum in the United States were starting to pile up, Aluminum Co. of Canada cut down production to about 75% of present capacity (and previous rate of output), in anticipation of possible suspension of U.S. buying.. The contract suspension actually developed in the Fall. Then came the reduction in British buying, and operations lately have been down to 30% to 35% of maximum capacity.

The question of whether and when output is to be stepped up at the Canadian aluminum plants must depend on the course of the war. If it continues to seem certain to go on into 1946, there is little likelihood that present U. S. stockpiles will be deemed adequate; U. S. imports of Canadian aluminum will have to be resumed. A quick change in the course of the war in Europe in favor of the Allied armies would lessen necessity for continued high rate of production of planes and other war machines.

Developments so far, however, have resulted in considerable reduction in aluminum stockpiles, which at one time loomed as an important deterrent to future marketing.

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Anthony Foster & Sons, Ltd., Toronto, Philco Distributors, announce the appointment of Mr. W. R. Johnston as manager of their Radio and Electrical Appliance Division, to succeed Mr. W. L. Moncur who has retired. Mr. Johnston has been with the firm since 1925, starting as their eastern Ontario representative, and for the past fourteen years as representative in Hamilton and the Niagara Peninsula.

ISN'T IT THE TRUTH? By Ti-Jos

MAKE THINGS LAST!
There is still plenty in Canada—lots of things not rationed. These are the things we should ration ourselves. It's just good sense to do without luxuries—to make things last. Every dollar we save today will buy so much more in peacetime tomorrow. That's the way to protect the price ceiling—to protect our own interests in post-war days.
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January is Overcoat Month in the Store for Men

Perhaps it's because "Old Man Winter" is paying us a special visit this year that so many men are choosing their new overcoats in January, and then again, perhaps it's because late deliveries have given us a better-than-average selection of fine garments for this time of the year. Overcoats from well-known English makers in rich fleeces and colorful tweeds, smartly styled coats from our own workroom in fine velours, smooth-finished meltons, rugged tweeds and the popular Simpson quality fleece. Casual or dress styles for all builds. From $35.

Simpson's
—The Store for Men
—Second Floor

How to Start Your Own Business

A Post Series of Articles on How to Succeed in "Small Business"

How About a Restaurant?

Article XIV

By ROSS BAXTER WILLIS

(R. B. Willis is acting head, Department of Business Administration, University of Western Ontario, and has been assistant director of WPTB's Management Service Division, a bureau whose chief job has been to assist the small businessman in solving wartime problems.)

(Copyright)

Many of you are going to think of an eating place as the basis of a "career on your own."

Some of you will be influenced by the trades you have learned, the experiences you have had in the Army, Navy or Air Force. Or you may have concluded that this business, so hard hit by manpower and other shortages, is bound to show expansion after the war. Too, the increase in the "eating out" habit forced on so many workers over the past few years may appeal to you as being permanent in character.

"Eating out" is much more important in the economic life of Canada than is generally appreciated. In 1941 there were 8,547 restaurants, cafeterias, etc., operating in this country with total sales of $123 millions.

Of all retail establishments in Canada in 1941, 6.5% were in this category and they accounted for 3.8% of all retail sales. In the United States in 1939 (the latest date for comprehensive figures) restaurants, etc., comprised 9.5% of all retail outlets and did 5% of all retail business.

Eating out is getting more popular.

Comparisons in both countries with earlier data show that the tendency to eat away from home has been continuously upward. We in Canada, however, as a relatively younger country, fall considerably short of our American cousins in the use we make of restaurants.

What are the advantages of owning and operating a restaurant, cafeteria, coffee shop, tea room or like enterprise?

You enjoy that personal satisfaction which comes from the feeling that you are creating something, that you are indulging your interest in things distinctive and as well performing a useful public service.

You will have an opportunity to meet people—hundreds of them—and to make valuable friendships. Isn't the way to any man's heart through his stomach?

Because of the infinite variety of types of operation from high-class service restaurants to the humble hot-dog stand, your nest egg, be it ever so small, will provide entry into some segment of the field. You may start up with a few hundred dollars or you may spend a million.

Credit Is Almost Unheard Of

Your turnover of capital should be rapid and unless you are a philanthropist you should have no bad debts—credit is almost unheard of in this trade. And inventory in raw material form is not an outstanding problem.

You may cater to any type of customer you wish—rich or poor, regular or transient, male or female, young or old.

You will have an unexcelled opportunity to build a personal reputation hard to duplicate as effectively in any other retail business. Nearly all the famous eating places in the world have been built around the personality of one individual—a Rector, a Krebs, a Howard Johnson.

Chains have not made very substantial inroads in this field in Canada as yet. And don't forget that the importance of your personality and your constant watchfulness over your establishment make competition of the larger operator more difficult in this personalized field than in many others.

You can achieve close expense control so necessary in successful food operation—something which the larger establishment finds costly to maintain. And you can be extremely flexible since you are on hand to make immediate decisions.

Because of the number of existing restaurants, etc., you can probably buy an established business if you wish—much more easily than you could purchase a hardware store, for example.

On the other hand, the life of a restaurateur is not pure bliss.

The public is very fickle indeed in the matter of eating out. Sometimes it is almost impossible to decide specifically why people patronize one restaurant instead of another. Or why a place poorly located and with mediocre food attracts business when a much superior establishment fails to "click."

Fundamentally, you offer a substitute for a meal at home. And so far, everyone seems to agree, there is no permanent satisfactory substitute. People eat out because they have to, or as a change. The demand for the service you offer is, hence, rather different from that of the ordinary retailer, or many of your fellows in the service trades.

Mortality in this field is just about the highest there is. Studies in the United States have shown that as many as one third of all new restaurants close the first year. In London, Ont., (generally regarded as a conservative city) there were 35 eating places in operation at the end of 1932. Although 80 new ones started between that date and the end of 1942, there were only 44 operating on Dec. 31, 1942. In other words, 71 "folded" during that time.

You are going to face extremely stiff competition—before the war in this country not too many restaurateurs died millionaires. Meal prices were generally low and the profession somewhat crowded. Don't forget that the present happy profitable position has been achieved, as with most other retailers, largely through an enormous increase in volume, shared by about the same number of establishments as in 1939 and at little increase in overhead.

You are going to face long hours in most types of operation, few Sundays or holidays off, and after the war a public which will not put up with some of the things it has had to under the alibi—"Don't you know there's a war on?"

Food waste is extremely difficult to control under our present concepts of operation. To master this costly problem is going to take many years and much thought and research.

Location is extremely important and advertising, except by word of mouth, rather difficult. As one successful proprietor put it, "repeat business cannot be bought."

Food preparation, nutrition, menu construction, etc., are very technical subjects and cannot be learned in a day. Feeding hundreds is much different from feeding a typical family. Ask the management of any war plant about its experiences with a cafeteria.

Staff turnover may be an everyday worry.

The maintenance of a proper system of control of waste, costs, etc., is very difficult in a small establishment and yet these are fundamental in successful operation.

Help has been and always will be one of your primary difficulties. Chefs are usually temperamental, waiters and waitresses hesitate to stay at one place long. Turnover of help in this field is not only about the highest there is, but a costly problem. Wages have risen appreciably since 1939 and it is questionable if they will return to pre-war level. Possibly it is better if they don't—the pre-war wages frequently attracted a rather poor type of help.

Larger operators in the bigger cities with partial centralization of kitchen facilities for their various units and hence the maintenance of rigid quantity, quality and cost control, are bound to intensify the problems of the independent. The British experience since the blitz with communal feeding and standardized menus has many lessons for the future.

Is Your Spot Among These?

If you do decide to enter the restaurant business, here are a few things to consider in your initial planning:

Analyze carefully beforehand what type of operation offers the best possibilities, having regard to your experience, capital, the public demand, the community, etc. The United States Department of Commerce lists these basic types—and there are many variations of each:

(a) Service restaurant. (i) table service, waiters or waitresses; (ii) coffee shop, usually with both counter and table service; (iii) tea room.

(b) Self-service restaurant. (i) cafeteria; (ii) buffet—food set out on a counter or buffet but service largely by an attendant.

(c) Fountains and grills. (i) fountains primarily planned for the service of ice cream, soft drinks, light foods; (ii) luncheonette; (iii) grill.

(d) Curb and drive-in establishments.

Be extremely careful in estimating the size of your potential market. Hundreds of people may be willing to pay $2.50 a plate for dinner in Montreal, but you may find trouble in securing sufficient patronage for a restaurant of this type in "Podunk Centre."

Attempt to make your place in some manner distinctive—by atmosphere, food, service or some other means. Simply following the crowd is not enough. You are offering an individualized service—make it that way—a reflection of your own personality.

Plan your location with great care in the light of the type of operation you have in mind. Parking may be very important. If so, make ample provision for it.

Plan to start with the lowest possible overhead—there will be plenty of time to expand later.

Insist on an attractive exterior and a spotlessly clean establishment throughout. And remember that cleanliness starts in the kitchen. Insist that your help be cleanly and neatly attired at all times.

Inexpensive "Extras" Make Friends

To express the personality of your establishment, plan some extra little touches or specialties. In a service restaurant such little things as after-dinner mints, hors d'oeuvres, or a salad bowl are very cheap by comparison with the goodwill they create.

Since you are dependent on the customer, not he on you, know what his interests are and appeal to those interests. Maybe in your community it is steak, apple pie, hot rolls, salads—it doesn't matter what it is so long as you know.

Plan your layout most carefully and with flexibility in mind. Much has been learned during the war about efficient restaurant layouts—particularly with regard to service from the kitchen and within the kitchen. Consult the trade papers and the manufacturers of restaurant equipment as well as an architect.

Keep abreast of current literature on nutrition, food values, menu construction. Much has been written in recent years on these subjects and short courses are being offered in a number of centres. Restaurant equipment is undergoing many changes and you should know of these before you commence operation.

Insist on quality food as your fundamental principle. Frequently the best costs little more. And customers know more about food than they used to. Rationing and shortages have taught us a great deal.

Devote some hard thinking to prices. Copying the prices of a competitor or using the old rule-of-thumb that the price of a meal should be at least twice the cost of the food are not good enough. You have to know in advance what it is going to cost you to do business, what your customers are willing to pay.

Plan in advance a program of staff training and a personnel policy. Much of the help you will employ are going to be your salesmen. Regard them as you would salesmen.

Plan in advance a system of control—not only of quality but of standard portions, purchasing, costs, etc. Spend some time with a good accountant or hotel man. Set up a simple system and stick to it.

Because of the importance of fixed costs in your operation, volume will be one of the keys to your success. Never forget it.

Analyze your results continuously. Be ever-ready to make worth-while changes.

We take pleasure in announcing that
SQUADRON LEADER KENNETH B. ANDRAS
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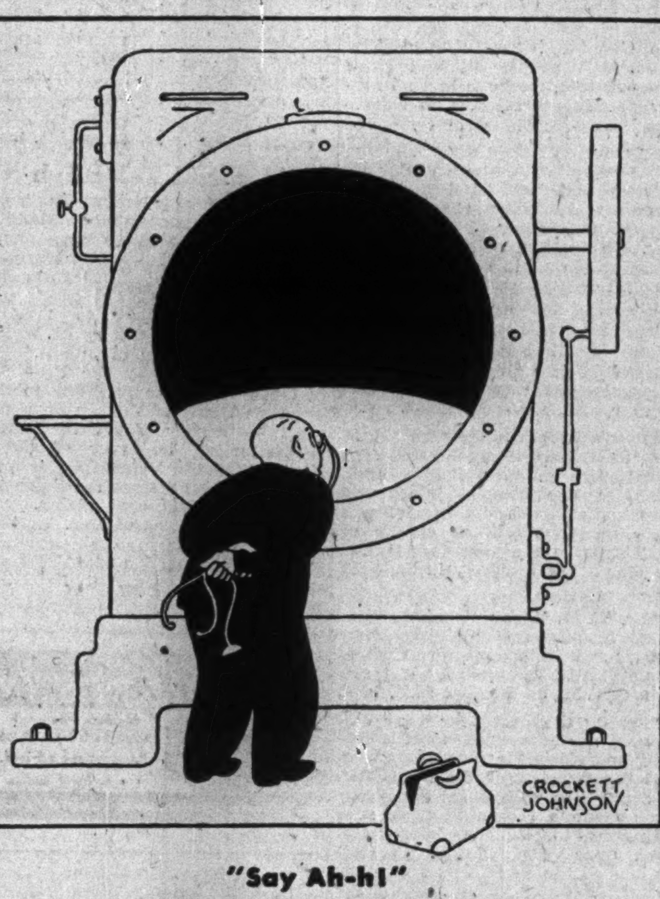

"Say Ah-h!"

Today, many boilers, turbines and generators — like older people — require a doctor more often. The war has used up some of their normal life . . . with extra shifts, less time for repairs, more chances to develop conditions leading to accidents.

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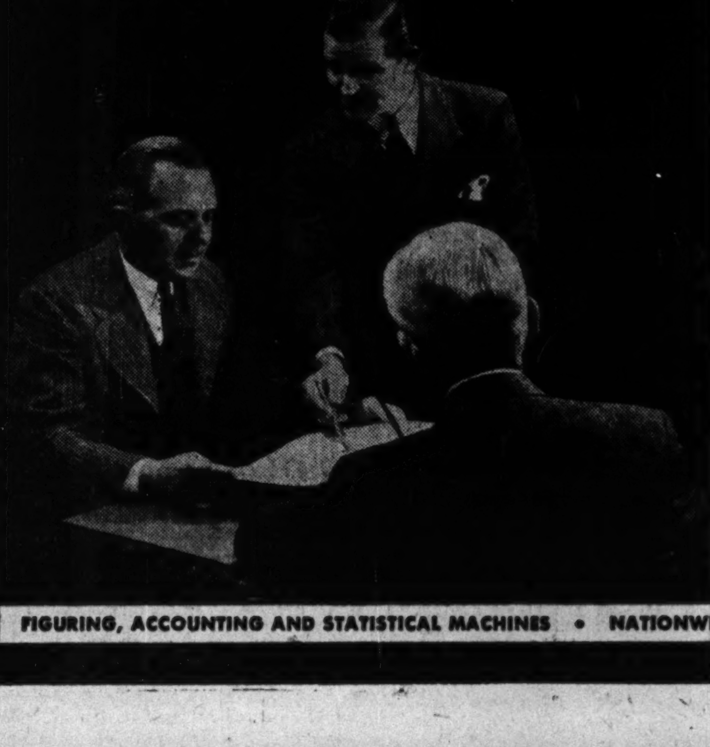

For more than fifty years Burroughs has worked in close, continuous association with bankers everywhere in helping them to solve their operating problems. The experience gained through this long association explains, in part, Burroughs' recognized ability to analyze banking procedures and requirements . . . to make practical, carefully thought out recommendations . . . to select, install and apply the machine and method that provide maximum accuracy and efficiency at minimum expense.

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New Earnings Peak for Canadian Car & Foundry

Net Sharply Higher With Trend to Normal Output At Car Plants in Year

Equipment Business on Books Sufficient to Maintain Plants at Full Capacity Until End of Current Year

EARNED $1.52 A SHARE ON COMMON

New peaks in operating profits and in net earnings and a widely improved financial position are shown in annual report of Canadian Car & Foundry Co., Ltd., for the fiscal year ended September 30th, 1944, distributed to shareholders during past week. Report also reflects some change-over from war production to ordinary peace-time production in company's operations during period under review with sufficient equipment orders on books to keep car plants operating at capacity until end of 1945 and a trend towards non-military production in steel foundry operations.

At end of fiscal year, balance sheet reveals, company was in strongest financial position in many years and was well fortified to enter the transition period which may possibly develop before the end of the current year. Surplus and reserves are substantial; net working capital and cash position impressive; and company was free of bank obligations.

Income account shows net operating profits of $5,287,009 and other income of $39,713, making gross income for fiscal year under review of $5,326,722. This represented a healthy increase from previous year's figures of $4,852,318 for net operating profits, $34,811 for other income, making total income of $4,887,129. Depreciation "write-off, at $1,835,415 (including special depreciation of $1,279,979) was down from year before figure of $1,968,438; provision for income and excess profits taxes, however, was up at $2,361,000 (including refundable e.p. tax of $305,400) from $2,086,450 (including refundable e.p.t. of $271,175). Net operating profits for latest year were after deducting $8,970 for directors' fees, $144,486 for officers' compensation, and $20,374 for legal expenses. After all charges and appropriations, net earnings applicable to dividends on outstanding preferred stock amounted to $1,130,306, equal to $4.12 a share on stock as compared with preceding year's earnings of $832,241, equal to $3.98 a share on preferred. Dividends paid on preferred stock for year under review absorbed $575,400 as against $539,360 year before which left net applicable to 365,800 shares of common stock outstanding equal to $1.52 a share, or well over double previous year's earnings on common of equivalent of 68 cents a share. Writing back of refundable portion of excess profits tax would make earnings on common stock equal to $2.35 a share as compared with $1.42 a share in preceding year on similar basis.

Deduction for preferred stock sinking fund and adjustments left surplus at end of year up at $7,087,163 from $6,911,714 at beginning of year.

Balance sheet shows net working capital improved during fiscal year under review by over $750,000 to $6,700,953 from $5,946,404 on previous financial statement. Current assets are down at $17,293,115 from $19,537,792, but current liabilities declined by almost $3 million to $10,592,162 as against $13,591,388. Current ratio improved during the year to 1.63 to 1 from 1.44 to 1.

Highlight among changes in current items was elimination during year of bank loans which, as at September 30th, 1943, amounted to $3,502,000. Accounts payable increased to $7,756,444 from $7,301,179, while taxes payable increased to $2,415,590. Among current assets cash is shown up at $707,730 from $362,883 on previous balance sheet and government bond holdings up at $495,000 from $440,000. Inventories dropped sharply to $9,740,086 from $11,947,564 while accounts receivable declined to $6,350,298 from $6,687,045.

Fixed assets are shown down at $16,667,601 from $17,381,800 at end of preceding year. In addition to earned surplus of $7,087,163 at end of period under review there was refundable portion of excess profits tax amounting to $616,577 and special reserves of $301,000 and capital surplus of $860,619.

Diversification of Output Achieved in Recent Years

In the light of the far-seeing policy pursued by directors in prewar years there are few companies in Canada that have contributed, or are contributing, more to Canadian war activities than Canadian Car & Foundry Company. Foreseeing that aircraft production was likely to become of widely increasing importance to Canada under peacetime conditions, and of absolutely vital necessity in case of war, Canadian Car early pioneered in the field of aircraft manufacture and, when the war started was prepared and equipped to enter promptly into output of fighter planes on a large scale. To Canadian Car's early efforts, on its own initiative should go much of the credit for Canada's remarkable progress in airplane construction since outbreak of this war.

Similarly, in many other lines, Canadian Car's enterprise, and experience in manufacture of steel products, have been invaluable to the country in its war production program. For the best part of 5 years, practically all of Canadian Car's vast production facilities were engaged on war work, in addition to which management supervised and directed the start and operation (up until recently) of the government's huge shell-filling plant at Cherrier, near Montreal. Such activities have resulted in practically full operations at the company's plants, many of which had been idle for some time due to paucity of railway equipment orders in recent years. While, under system of low profit margins on government orders, the company's profits have been small in relation to the tremendous volume of business handled, the contribution to the Canadian war program has been of immeasurable benefit to the Dominion and the Allied cause.

Big Aircraft Plant

At the company's Fort William plant, some 500,000 square feet of floor space has been used for manufacture of military aircraft. For several years, the company made Hurricanes at this plant. Hurricane construction was discontinued some time ago and the company's entire facilities at this plant have been swung to manufacture of Curtiss Navy dive bombers. The bombers are being built for the United States Government which placed the order through the Canadian Department of Munitions and Supply.

At Amherst, N.S., assembly of Anson twin-engine advance trainers has been handled. The first Anson completed in Canada came from Canadian Car's Amherst plant, and production of these planes has been under way steadily ever since. The wings for this aircraft have been constructed in the Montreal car plants, with final work at Amherst. The Amherst plant has been extended to handle repair and maintenance work for training and operational machines in the Maritime area. More recently production of Ansons was discontinued and the Amherst plant has since been fully engaged in repair and maintenance work.

In Montreal, at the huge Turcot and Dominion plants, the largest in the country for the manufacture of rolling stock for the railways, the company has been making shell forgings, supplies for the British and Canadian navies, wings for Anson planes. At Turcot, also, parts were made, early in the war, for Hampden bombers, and at Turcot bombers of the R.A.F. Ferry Command are serviced.

At the Point St. Charles plant, hydraulic shock legs have been made for fighter planes, parts for aircraft and important materials for guns and other armament equipment, and the malleable iron foundry at Brantford, Ont., is making materials for army transports. Hydraulic propeller hubs and alloy propeller blades are being produced at Montreal. The steel casting foundry at Longue Pointe is making castings for marine, ordnance and armament purposes.

Makes Aeroplane Propellers

Aeroplane propellers produced have been of the Hoover design and shipped to the United States government.

The actual amount of war work handled and being handled by Canadian Car, while impressive, gives only a partial picture of the tremendous amount of effort and work that has been contributed to the country by the company. Value of Canadian Car's experience, during the last war, and in the peace years since, has been made available to the country. Not all of suggestions, for one reason or another, have been made use of. For instance, the company even before the war was experimenting with production of airplane engines, at its own expense, and actually produced a small efficient airplane engine, which it called the "Maple Leaf." For a time, there was considerable discussion given to manufacture of airplane engines by Canadian Car in this country. The plans, however, were abandoned, partly because British manufacturers preferred to make all their own engines in England. The idea, at first, behind airplane engine manufacture in Canada, was that manufacture of such important machines in this country would give added protection, in event British plants were destroyed by Nazi bombs. More recently, American airplane engine plants have been supplying Canadian planes.

Peacetime Output Limited

Because of demand for war machines, amounts of railway equipment produced (the chief peacetime activity) have been limited up until about a year ago. Available steel and other materials had been directed towards equipment for the battlefront. However, as wartime strain on transport facilities increased a large backlog of demand developed for railroad rolling stock. With the steel supply situation during past year less acute, more attention has been given to production of such equipment, and company now has sufficient car business on its books, domestic and export, to keep car plants at capacity until end of 1945.

Inasmuch as company has well established facilities for production of railway equipment, such products can be turned out on a more favorable profit basis than narrow-margin war business.

Canadian Car, 10 years ago, like other railway equipment companies, was almost entirely dependent on orders from the railroads. Seldom does initial production in a new field return much profit to a corporation at the start. This is due to the fact that capital investment required, and special expenditures, must be written off before the business can return the maximum of profit. Particularly in the case of armament business, where the orders are placed on a cost-plus basis and profit-margin is narrow, is this element a factor. In the case of Canadian Car all of the early investment and expenditures was early taken care of.

Aircraft production will, of course, be almost entirely for war purposes so long as the war lasts and under such circumstances, the profits from this division will be limited. Importance of the development, however, lies in the likelihood of large-scale progress in commercial aviation following the war, which will open up an important new source of business and earnings for the company. In the meantime aircraft business will play an important role in carrying a considerable proportion of the company's overhead.

Canadian Car's policy of diversifying production, to get away from the traditional "feast and famine" character of the railway equipment business, dates back a number of years. At company's plants in addition to finished passenger and freight cars, steel and cast iron malleable castings, long have been produced. Canadian General Transit Co. also was formed some years ago.

Leads In Steel Car Output

In production of street cars, the Canadian Car management has brought the company to the forefront.

In aircraft production, Canadian Car is in a field which is closely allied to its other types of work, and to which production facilities can be extended with a minimum of extra cost. Thus, company is particularly adapted to make this venture a profitable one.

Canadian Car owns the Canadian rights to the Burnelli patents for the "flying wing" type of plane—a type that some experts believe will be the transport plane of the future. The company already is assured of orders from Latin American and U.S. concerns for such transports, as soon as production can be started.

In other types of armament work, Canadian Car has also been in a position to take a leading part both at its own plants and in government owned plants which it operates on a management basis. During the last war, Canadian Car was active in armament work; and thus has the advantage of experience and an established prior reputation.

In the field of railway equipment, the company long has been in the forefront. Through control of valuable patents, the company obtains a royalty of $100 on every car built in Canada, irrespective of what company receives the order.

Organized in 1909, Canadian Car & Foundry Co. Ltd. owns and operates a total of 10 plants of which 6 are located in Montreal—2 car plants, 2 foundries, an aircraft plant—and a propeller manufacturing plant—and one each in Welland, Ontario, Amherst, Nova Scotia, Fort William and Brantford. Car works of the company are equipped for the building, finishing, and upholstering of all kinds of railway rolling stock—freight cars, passenger coaches, sleeping cars, dining cars, etc., and the foundry plants, in addition to producing many of the parts used in the building of cars—exclusive manufacturing rights for many of which are owned and on which royalties are collected from other car companies in Canada—also manufacture a wide range of specialties. The Fort William plant of the company, idle over a considerable period of years, was reconditioned in 1939 and is now being operated as an aircraft plant.

Capital Structure

Capitalization of Canadian Car & Foundry Co., Ltd., consists, at present time, of 274,000 shares of $25 par value preferred stock carrying a cumulative annual dividend of $2.10 a share, and 365,800 shares of an authorized 645,800 shares of no par value common stock. At organization the company was capitalized at $5,000,000 of preferred stock and $3,500,000 of $100 par value common; in September 1910 an additional $1,100,000 of preferred and $375,000 of common was issued; in September 1912 an additional $100,000 of common; in September 1913 an additional $900,000 of preferred; in September 1916 an additional $500,000 of preferred and $250,000 of common; and in September 1917 an additional $750,000 of common.

In February 1929 the authorized common stock was increased from $5,000,000 to $10,000,000 and 33,360 additional shares of stock offered to shareholders at $125 a share on a ratio of 1 new share for each 3 held. From the proceeds of this stock issue, which brought $4,170,000 into the treasury, the entire remaining funded debt of the company and its subsidiaries was redeemed, leaving the preferred stock a first charge on earnings. Later in 1929, in September, the common stock of the company was split 4 for 1 and the par value of the preferred stock was changed from $100 to $25, this involving a 4 for 1 split in the senior issue also.

Late in 1942 directors approved a plan for clearing up dividend arrears on the preferred stock, amounting to $9.55 a share, subsequently stockholders ratified the plan. Under the plan there was made a cash payment of $2.55, the dividend rate on the preferred increased to $2.10, and the $25 par preferred became callable at $35.

The plan also provided for establishment of a sinking fund for preferred stock retirement. Deductions are to be made of 15 per cent of annual net profits remaining after all charges and preferred dividends, commencing with the past fiscal year. Of the 278,000 shares of preferred stock issued under latest capital reorganization plan, 4,000 shares already have been purchased and cancelled.

As additional protection for the preferred it is provided that no dividends can be paid on the common stock out of earned surplus, as of Sept. 30, 1941, which amounted to some $7,500,000 inclusive of World War I claim proceeds. Common dividends can, however, be paid out of profits or receipts after September 30, 1941. An initial dividend of 50 cents a share on common stock was declared recently, payable January 23rd.

Under another provision nontransferrable rights have been allotted to holders of preferred stock redeemed. These rights permit stockholders to purchase one share of common stock at $20 a share for each share of preferred held.

The 20,000 preferred shares in the company's treasury were cancelled, and an appropriate increase in authorized common stock was made to provide for exercise of the rights. Authorized common stock was increased to 645,800 shares from 365,800 shares.

No additional preferred stock ranking equally or ahead of present preferred, or any funded debt, can be created without the consent of at least two-thirds in value of the outstanding preferred stock.

The former relative dependence of the company on railway equipment buying for its earnings is indicated by the trend of profits over a period as shown in the accompanying review of earnings and balance sheet position and dividend and market records of its preferred and common stocks. The years of generous railway purchases are marked by very substantial profits and earnings for the company while periods when equipment buying was at a minimum, or entirely lacking, have seen heavy operating losses. These wide swings in the fortunes of the company have naturally been reflected in an erratic dividend record and equally wide swings in the market valuation of the securities outstanding.

President Refers to Change In Operations During Period

In presenting the annual report to shareholders on behalf of directors, V. M. Drury, president of company, said: "Your Directors submit herewith the thirty-fifth annual report of your company and of its wholly owned subsidiary company, covering combined operations for the year ending September 30th, 1944.

"The net reduction in capital assets during the year was $714,199.89. The balance of $1,214,339.14 in respect of war contracts remains to be amortized as at October 1st, 1944, practically the whole of which sum applies to the dive bomber contract, and will be written off over the term of this contract.

"The net profit for the year amounted to $5,326,721.91 before provision for depreciation and income and excess profits taxes, this being an increase of $439,592.77 over last year.

"The net working capital is $6,700,952.99, being an increase of $754,549.38 over the previous year.

"During the past year our car and steel foundry plants operated at full capacity and orders for railway equipment on the books, the great majority being for export, will continue to keep these plants fully employed to the end of 1945.

"We are again forging three different types of large calibre shells, after having closed down these operations some time ago.

"Your aircraft plant at Fort William is producing the Curtiss-Wright Dive Bomber for the U. S. Navy in accordance with the schedule laid down and exceeded its maximum scheduled output in October of this year. We have since received instructions to reduce the production schedule which will have the effect of prolonging the contract to the end of 1945, without reducing the total number to be produced under the original contract.

"During the year your plant at Amherst, Nova Scotia, has been fully occupied in the repair and maintenance of aircraft for the Maritime area.

"As the Air Training Plan is gradually coming to a close the demand for propellers for training planes has practically ceased, and as a result our operations at the propeller plant have been greatly reduced. We anticipate keeping this plant employed in producing other items found necessary in connection with the war.

"The production of the planes of the so-called Burnelli design is proceeding satisfactorily and we expect to have the first plane in the air early next Spring.

"During the year we asked to be relieved of the management of the government owned shell-filling plant at Cherrier, Quebec, which was operated by your wholly owned subsidiary company, Canadian Car Munitions, Limited. The government acquiesced and since June 1st, 1944, we have had no further operational interest in same.

"No further receipt by your wholly owned subsidiary Company, the Agency of Canadian Car & Foundry Company, Limited, on its award by the Mixed Claims Commission, was received during the year. We are still actively engaged in endeavouring to collect the balance of approximately $8,000,000, including interest, due us in this connection.

"The operations of Canadian General Transit Company, Limited (a partly owned subsidiary company) continue to be satisfactory.

"Your directors deeply regret to have to record the death of Mr. W. S. Atwood on March 18th, 1944. The late Mr. Atwood joined the company at its inception and was made vice-president in charge of production in the year 1920, and a director of the company in the year 1940.

"Mr. W. H. Coverdale of the firm of Coverdale and Colpitts, New York, and president of Canada Steamship Lines Limited, was elected a director on October 23rd, 1944.

"During the past year your employees have worked most faithfully and efficiently; have more than met the requests of the Red Cross in connection with blood donations; have made a record in their subscriptions to Victory Loans and have made very substantial contributions to the Red Cross and other charitable organizations.

"The number of employees in your company who have enlisted in the armed forces is 3,772, of whom 14 have made the supreme sacrifice. To their families we extend our deepest sympathy.

"Your directors take this opportunity of expressing their appreciation of the loyal and efficient services rendered by the officers and employees throughout the year."

Twenty-Four Year Review of Earnings and Balance Sheet Position

(Fiscal Years Ended September 30th.)

	Gross Profit $	Net before Dividends $	Pref. Dividends $	Common Dividends $	Surplus for Year $	Preferred Stock $	Common Stock $	Total Assets $
1944	5,498,552	1,130,306	575,400	......	512,373	♦6,850,000	9,145,000	35,480,661
1943	5,018,711	832,241	539,360	......	292,881	♦6,950,000	°9,145,000	38,064,571
1942	5,105,146	956,384	490,000	......	468,384	■7,000,000	9,145,000	40,033,376
1941	2,424,488	701,836	369,600	......	332,286	7,000,000	9,145,000	40,402,570
1940	1,505,259	477,580	......	......	477,580	7,077,875	9,145,000	26,917,360
1939	†50,799	•504,815	249,141	......	*758,956	7,077,875	9,145,000	23,435,746
1938	1,967,694	1,177,314	‡637,009	......	540,305	7,077,875	9,145,000	23,527,748
1937	1,917,006	1,134,413	......	......	1,134,413	7,077,875	9,145,000	23,063,751
1936	281,789	7,684	......	......	7,684	7,077,875	9,145,000	19,564,352
1935	†973,428	•497,256	......	......	*497,256	7,077,875	9,145,000	19,799,558
1934	†840,401	•729,146	......	......	*729,146	7,077,875	9,145,000	20,139,689
1933	†973,428	•853,306	498,285	......	*1,351,591	7,080,750	9,145,000	28,888,028
1932	†913,196	•730,037	525,000	362,142	*1,617,079	7,233,625	9,145,000	30,496,421
1931	806,786	761,432	525,000	640,150	*403,718	7,500,000	9,145,000	32,650,178
1930	3,104,868	2,593,120	525,000	640,150	1,427,969	7,500,000	9,145,000	33,347,714
1929	3,922,113	3,245,992	525,000	147,100	2,233,892	7,500,000	9,145,000	33,130,658
1928	1,218,896	538,329	525,000	......	13,329	7,500,000	4,975,000	28,000,495
1927	1,332,887	618,456	525,000	......	93,456	7,500,000	4,975,000	29,274,445
1926	714,826	59,860	525,000	......	*465,140	7,500,000	4,975,000	29,368,079
1925	256,289	•329,771	‡918,750	......	1,248,521	7,500,000	4,975,000	29,240,130
1924	1,928,312	1,124,221	‡787,500	......	336,721	7,500,000	4,975,000	51,611,446
1923	2,420,188	1,427,574	‡525,000	......	902,574	7,500,000	4,975,000	33,081,582
1922	209,366	•586,632	......	......	*586,632	7,500,000	4,975,000	30,101,602
1921	1,188,853	•892,396	*2,100,000	......	*2,992,396	7,500,000	4,975,000	31,740,084
1920	1,515,712	539,297	‡656,250	......	*178,853	7,500,000	4,975,000	43,828,961

	Current Assets $	Current Liabilities $	Net Work. Capital $	Fund. Debt $	Script.	Surplus and Reserves $	Property $	Depreciat. $	
1944	17,292,115	10,592,162	6,700,953	......	......	8,865,360	16,667,600	......	1944
1943	19,537,792	13,591,388	5,946,404	......	......	8,346,221	§17,381,800	......	1943
1942	21,527,070	14,993,471	6,533,599	......	......	8,812,940	§17,302,128	......	1942
1941	22,746,159	14,883,540	7,862,610	......	......	8,990,912	§16,701,365	......	1941
1940	8,679,668	6,325,684	2,353,984	......	......	4,368,801	§17,442,053	......	1940
1939	4,807,711	3,317,424	1,480,287	......	......	3,054,321	§17,827,593	......	1939
1938	5,522,841	2,648,507	2,874,344	......	......	3,808,207	§17,302,610	......	1938
1937	4,816,934	2,034,917	2,782,017	......	......	3,267,072	§17,030,616	......	1937
1936	2,132,422	344,238	1,588,274	......	......	2,133,552	§16,388,026	......	1936
1935	2,183,043	580,942	1,602,101	......	......	2,125,874	§17,201,480	......	1935
1934	2,532,689	341,146	2,191,542	......	......	2,706,670	§17,198,012	......	1934
1933	3,616,198	389,271	3,226,927	......	......	3,432,776	25,139,174	8,840,230	1933
1932	5,211,368	517,920	4,603,439	......	......	4,544,360	25,420,856	8,364,455	1932
1931	7,238,806	708,320	6,545,416	......	......	6,583,819	25,079,701	8,364,455	1931
1930	8,170,375	996,528	7,173,852	......	......	7,177,765	24,858,025	8,114,455	1930
1929	8,907,470	2,744,351	6,163,119	......	......	5,615,245	24 033,913	7,712,454	1929
1928	4,001,147	796,051	3,000,896	4,164,590	......	2,523,300	23,468,470	7,510,435	1928
1927	5,177,881	1,195,670	3,982,202	5,006,001	644,401	2,524,820	23,308,984	6,208,455	1927
1926	5,647,330	1,469,864	4,177,426	5,378,770	675,202	2,562,660	22,954,206	6,706,554	1926
1925	5,648,407	701,506	4,946,989	5,931,997	813,980	2,328,180	23,188,776	6,104,455	1925
1924	8,160,677	1,360,508	6,770,084	6,246,589	980,543	4,846,466	23,136,072	5,702,455	1924
1923	9,507,607	2,673,436	6,834,261	6,644,183	1,384,822	4,638,626	23,137,323	5,269,455	1923
1922	6,870,998	631,831	6,189,167	7,021,695	1,483,689	3,509,532	23,203,408	4,820,655	1922
1921	8,360,807	1,585,073	6,775,734	7,307,710	1,553,768	5,184,508	23,227,739	4,443,855	1921
1920	20,720,184	12,219,602	8,500,582	7,757,823	......	7,208,471	23 263,194	4,078,055	1920

*Deficit. ‡—Including arrears. †—Operating loss. •—Net loss. §—After depreciation. ■—280,000 shares of $25 par. §—Loss depreciation. ▲—After adding $4,026,914 net recovery from "German Claim" award. °—365,800 shares of n.p.v. ♦—274,000 shares of $25 par. g—365,800 shares of no par value. b—278,000 shares of $25 par.

Brantford Roofing

The present and anticipated high volume of sales for Brantford Roofing is accounted for largely by the fact that, although Government orders for war construction are practically nil, there is a large demand for the company's regular lines of building materials for necessary repairs and maintenance of existing buildings, and for essential new housing construction.

The unused plant site at Winnipeg, acquired in 1930, being considered of no value to the company, has been written down to the nominal value of $1.

CONSOLIDATED INCOME ACCOUNT

Years Ended Oct. 31:	1944	1943
Net income	$179,410	$177,472
Less: Deprec. res.	44,085	48,243
Interest	11,131	12,139
Income tax res.*	87,000	75,600
Net profit	37,194	41,490
Less: Pref. divd.	......	4,070
Surplus for year	37,194	37,420
*Inc. refund. E.P.T.	11,854	9,146
Earnings per Share* and Dividend Record:		
Common: Excl. E.P.T.	$0.85	$0.86
Incl. ref. E.P.T.	1.13	1.07
None paid.		

*Outstanding preferred shares redeemed in 1943.

CONDENSED CONS. BALANCE SHEET

As at Oct. 31:	1944	1943
Cash & govt. bds.	$ 49,090	$ 3,514
Accts. rec.	223,955	203,860
Inventories	203,043	154,663
Total curr. assets	476,088	362,037
Trustee acct.	24,148	23,344
Deferred assets▲	28,553	16,817
Fixed assets*	513,339	572,971
Total assets	1,042,128	975,169
Bank loans	42,085	17,420
Accts. pay. taxes, etc.	250,746	229,063
Total curr. liab.	292,831	246,483
Funded debt	191,800	196,800
Capital stock	380,640	380,633
Capital surplus	67,607	91,050
Earned surplus▲	109,250	60,203
*After deprec. of	713,685	674,305
▲Incl. refund. E.P.T.	21,000	9,146
Working capital	183,257	115,554

Cdn. Food Products

Part of the increase in profits of Canadian Food Products for the year was due to the consolidation of earnings of Picardy Ltd. and subsidiaries into the accounts of Canadian Food Products.

Picardy Ltd. was acquired in 1944 and cash offers have been made to minority shareholders of Picardy Candy (Alberta) and Picardy Candy (Sask.) and more than 75% of their shares are now held. It is the intention to establish a central candy factory and bakery and a chain of Picardy shops in B.C. as soon as conditions permit, President E. P. Taylor states in the annual statement.

During the year an additional $550,000 of 5% convertible debentures were issued and proceeds for most part used to acquire capital assets. No final determination of standard profits has been made.

CONS. INCOME ACCOUNT

	Year ended Oct. 31, †1944	Year ended Nov. 2, ■1943
Net earnings	$808,223	$567,226
Less: Depreciation	138,888	110,665
Interest	17,421	......
Inc. tax res.▲	427,516	302,124
Subsid. prof.	34,664	15,784
Net profit	189,734	138,643
Less: Dividends	65,775	50,845
Surplus for year	123,959	87,798
▲Incl. refund. E.P.T.	56,900	39,448
Earnings per Share and Dividend Record:		
Common: Excl. E.P.T.	$6.36	$5.14
Incl. ref. E.P.T.	8.27	6.56
Paid	2.21	2.00

†Includes accounts of Industrial Food Services, Woman's Bakery, and Muirhead's Cafeterias, for year ended Oct. 31, 1944; Picardy Ltd. and Picardy Candy (Alberta) for 10 mos., ended Oct. 31, 1944.

■Includes accounts of Industrial Food Services for year ended Nov. 2, 1943, Woman's Bakery Ltd., and Muirhead's Cafeterias Ltd. for 10 mos. and 8 mos., respectively, ended Nov. 2, 1943.

CANADIAN FOOD PRODUCTS LTD.
Cons. Balance Sheet As At

	Oct. 31, 1944	Nov. 2, 1943
Cash	$ 184,342	$ 266,888
Accts. rec.	139,787	123,181
Investments	276,056	138,212
Ins. c. s. v., etc.	31,224	20,119
Inventories	356,142	339,417
Total curr. assets	977,551	887,817
Misc. assets▲	174,866	73,988
Trusts acct.	......	286,009
Fixed assets*	818,063	641,280
Goodwill, etc.	1,432,181	1,663,901
Total assets	3,402,661	3,552,995
Bank loan	......	227,266
Accts. & tax. pay.	499,771	598,582
Total curr. liab.	499,771	825,848
Trusts accts.	......	286,009
Min. ints.	153,186	211,600
Funded debt	700,000	200,000
Capital stock	520,255	431,385
Capital surplus	962,444	1,162,009
Earned surplus▲	567,005	436,144
*After depr. of	1,037,184	742,087
▲Incl. refund. E.P.T.	115,237	40,398
Working capital	477,780	.61,969

Montreal Telegraph

Revenue for 1944 for Montreal Telegraph Co. amounted to $168,760 and comprised $165,000 from operations of Great North Western Telegraph Co. and $3,760 from investments and rent. The year's expenditures amounted to $69,819, leaving $98,941 earnings of which $96,000 was paid in dividends.

Appeal entered by the Province of Quebec and the company to the Supreme Court of Canada with respect to earlier Court of King's Bench ruling in favor of Great North Western Telegraph, is expected to come before the Supreme Court of Canada next spring.

Balance sheet as at Dec. 31, 1944 showed $24,617 in cash account, $54,909 investments and $41,750 accrued revenue. Current liabilities were $122,276.

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- The company was incorporated under the laws of the Dominion of Canada in 1933.

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Principal Business Office—The Royal Bank Building, Montreal

- Dividends have been paid quarterly without interruption since incorporation.
- An investment in the shares of Commonwealth International gives you a maximum degree of safety, through diversification of holdings and the fact that the corporation owns outright all securities in its portfolio.
- Investment in these shares simplifies the Income Tax calculations of the individual and eliminates the duplication of Succession Duties.
- The shares of Commonwealth International are self-liquidating and consequently a positive market is available at full asset value.

Consult your Investment Dealer or Broker for further information

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Canadian Commodity Exchange Inc.

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Simpson's Ltd. shareholders at a special meeting Jan. 12, 1945, approved splitting the A and B common stock on a 3-for-1 basis. Approval also was given to the creation of a new 4½% preferred issue and the cancelling of the present 6½% preferred. It is proposed that the 6½% preferred will be redeemed on March 15, 1945, at $105 plus accrued dividend.

VICTORY DEMANDS THE UTMOST
FROM EACH ONE OF US . . .
Save Now to Buy More Victory Bonds

Peaker, Trent & Bunting
MEMBERS THE TORONTO STOCK EXCHANGE
STOCKS — BONDS
DOMINION BANK BUILDING, TORONTO ELgin 3393
C. H. PEAKER SEYMOUR TRENT ALFRED BUNTING

These bonds having been sold this advertisement appears as a matter of record only.

Refunding Issue

$1,250,000
United Amusement Corporation
Limited
First Mortgage Bonds, Series "A"

To be dated February 1st, 1945. To mature February 1st, 1946-1954 and 1965.

Principal and semi-annual interest (February 1st and August 1st) payable in lawful money of Canada at the principal offices of the Company's bankers at Montreal, Toronto, Winnipeg, Saint John or Halifax. Coupon Bonds in denominations of $1,000, registerable as to principal. Redeemable as a whole or in part at the option of the Company at any time prior to maturity on 30 days' notice at the following prices:—1946-54 maturities 101; 1965 maturity up to and including February 1st, 1954 at 103; up to and including February 1st, 1955 at 102¾; up to and including February 1st, 1956 at 102½; up to and including February 1st, 1957 at 102¼; up to and including February 1st, 1958 at 102; up to and including February 1st, 1959 at 101¾; up to and including February 1st, 1960 at 101½; up to and including February 1st, 1961 at 101¼; up to and including February 1st, 1962 at 101; up to and including February 1st, 1963 at 100¾; up to and including February 1st, 1964 at 100½; thereafter at 100; in each case with accrued interest to date of redemption. An annual Sinking Fund of $50,000. commencing February 1st, 1955, will be provided for the 4% Bonds maturing 1965.

Trustee: Montreal Trust Company

In the opinion of Counsel these Bonds will be a legal investment under the Canadian and British Insurance Companies Act, 1932, for Insurance Companies registered under that Act.

SCHEDULE OF MATURITIES

Due February 1st	Coupon	Amount	Due February 1st	Coupon	Amount	Due February 1st	Coupon	Amount
1946	2¼%	$50,000.	1949	3%	$50,000.	1952	3½%	$50,000.
1947	2¼%	50,000.	1950	3%	50,000.	1953	3½%	50,000.
1948	2¼%	50,000.	1951	3%	50,000.	1954	3½%	50,000.

$800,000. 4% Bonds due February 1st, 1965

We offer these bonds if, as and when issued and received by us and subject to approval of all legal proceedings by Messrs. Chauvin, Walker & Martineau on behalf of the Company and Messrs. Stairs, Dixon, Claxton, Senecal & Lynch-Staunton on behalf of the underwriters.

Price: 100 and accrued interest.

It is expected that definitive Bonds will be available for delivery on or about February 1st, 1945.

W. C. Pitfield & Company Limited | Wood, Gundy & Company Limited

Refunding Issue

The Shawinigan Water and Power Company

3½% First Mortgage and Collateral Trust Bonds

Due: January 1, 1970

Price: 100 and interest

Water power is the mainspring of Canadian industrial production, more than eighty per cent. of which comes from the provinces of Ontario and Quebec where more than four-fifths of the developed water power is located.

The Shawinigan Water and Power Company is one of the largest producers of hydro-electric power in the Province of Quebec.

The Company's system embraces most of the industrial area of the province. Transmission and distribution lines, more than 6,115 miles in length, cover an area of 16,000 square miles and serve 490 communities.

The Company's gross revenues are derived principally from sales of large blocks of power to industrial consumers and to distributors of electricity. The industrial consumers include companies engaged in the production of pulp and paper, asbestos, textiles and electro-chemical and metallurgical supplies.

We recommend these bonds for investment.

Descriptive circular available upon request.

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

INVESTMENTS THIS WEEK

Manning's Visit Renews Interest in Alta. Bonds

The visit of Alberta's Premier E. C. Manning and Deputy Provincial Treasurer J. F. Percival to Toronto last week coupled with reports that they were discussing the refunding of Alberta's debt with some of the investment dealers strengthened the prices of the province's bonds another $1 to $2. This follows a rise of $3 to $5 over the past month.

Alberta's 4½'s of 1956 are now quoted around $95 to $97, 4's of 1954 about $92¼ to $93¾, 5's of 1959 at $95½ to $97½, 5½'s of 1952 at $96 to $98 and 6's of 1947 at $93 to $95.

A certain amount of buying of these bonds from the New York market has been reported. In addition, some dealers feel that the bonds are cheap. They are pointing out that if the province's offer of a 40-year 3½% bond were finally agreed to, it would give a yield of about 3.74% at a price of $95, and that anything received in the way of a larger coupon or a payment on account of arrears would be just so much "gravy." In the meanwhile investors would be obtaining a current income at one half the coupon rate.

• • •

Canadian Car Proxy Fight

Investors expect the annual meeting of Canadian Car & Foundry Co. to be exciting. The activity of each group in the proxy battle seems to indicate that the result of the contest will be close.

Statements of Mr. Kirby and of the company's management, which appear in advertising columns of this paper, present clearly their respective positions.

That shareholders should be in a quandary is not surprising. As in all such battles, the record of the existing management has been questioned, and this in itself will be very difficult for the average shareholder to pass upon, no matter how eager an interest he takes in the affairs of the company.

But there is even greater difficulty in deciding how much Canadian Car should spend on plant expansion. The ventures of the company into new fields—notably aircraft—have obviously been of immense benefit to Canada's war effort.

• • •

Noranda Mines

Incorporated Investors, a New York investment trust, reports among other transactions sale of its entire holdings of 10,000 shares of Noranda Mines in the final three months of 1944.

• • •

Sawyer Massey

Following the issuance of the Sawyer Massey Ltd. annual report for the year ending Sept. 30, 1944, Kamm, Garland & Co. have written a second letter to the company's shareholders showing the improvement in the balance sheet position in the past fiscal year.

They point out that working capital increased $119,414, depreciation reserves increased $138,124, the deficit account less the refundable portion of the Excess Profits Tax showed a decrease of $70,476, the book value per share amounted to $6.72 plus $1.30 per share refundable portion of EPT to total $8.02 per share, and the net profit was equal to 88c. per share for the last fiscal year.

The letter concludes: "These figures would seem to confirm our previous opinion that the offer of $1 per share is not in keeping with the equity and earnings behind each share, and we suggest the continued retention of your holdings."

• • • •

Nova Scotia

The Province of Nova Scotia is expected to enter the financial market next month with an important refunding issue. Nova Scotia had a bond maturity of $2,530,000 which fell due April 1, 1944, and another maturity of $1,516,000 on Nov. 15, 1944, both of which were taken care of through banking arrangements. It is expected that the forthcoming issue will take care of these maturities on a more permanent basis.

• • •

"On Opening An Account"

An interesting and instructive booklet entitled "On Opening an Account" has been compiled by Goodwin Harris & Co. and is being distributed to their customers. It explains clearly and simply the terms, rules and practices in use by stockbrokers and on the exchange.

Its scope is indicated by its section headings which are: The Function of a Broker, Entering Orders, Registration and Deliveries, How Orders Are Filled, Market Terms, and Commission Charges.

Classified ADVERTISEMENTS

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

EXECUTIVE AVAILABLE

COMMANDER R.C.N. Age 44. Available for employment anywhere in Canada in an executive administrational or organizational capacity. Exceptionally wide experience. Previous to present war had fifteen years commercial experience in Canada and British Malaya. Apply to your nearest Employment and Selective Service Office. Refer to H.O. 1679.

VANCOUVER ISLAND

SPORTING estate of 80 acres, with sea and river frontage, excellent wildfowl shooting and fishing, preserved by owner. Good 5-room dwelling, electric light, full plumbing, barn, cottage, and several outbuildings. Excellent kitchen garden, good land. 5 miles from town, 30 miles from Victoria. Price $11,000.00. J. H. WHITTOME & CO. LIMITED, Duncan, B.C.

CARRY MONEY SAFELY
WHEN YOU TRAVEL
Canadian Pacific Express
TRAVELLERS CHEQUES

'DOMINION' Envelopes
OF EVERY DESCRIPTION
DOMINION ENVELOPE CO. LTD.
TORONTO
PHONE EL7271
BRANCHES
MONTREAL WINNIPEG

Former Private Firms Make Public Offering

Wool Combing Corp., British American Bank Note Co., Sell Shares on Open Market For First Time

Acton Wool Firm First of Type Here

Public participation in the ownership of another private company, Wool Combing Corp. of Canada is made possible by the offering this week of 20,000 shares of its $5 par value common stock by Burns Bros. & Denton Ltd. at $15.50 per share to yield about 6.45% on the basis of a $1 annual dividend. Total capitalization of the company consists of 50,000 shares.

Wool Combing Corp. was incorporated under Dominion charter July 16, 1940, with a head office in Toronto and a plant in Acton, Ont., for the purpose of setting up and operating a wool scouring and combing plant to process raw wool into worsted "tops"—the long fibres for worsted cloth, and "noils"—the short fibres for woollen cloth.

From 1941 to 1943 operations were for war requirements. In 1944 the amount of orders for war contracts was radically reduced and the company states that operations are now for civilian customers only and that it has no reconversion problem.

Net earnings including the refundable portion of the Excess Profits Tax, which is shown in brackets, were $7,967 in 1941, $70,016 ($798) in 1942, $69,528 ($4,876) in 1943 and $75,598 ($6,828) in 1944. Earnings in 1944 were equal to $1.51 per share including 14c. refundable portion of Excess Profits Tax.

Dividends of 6% were paid in 1942 and in 1943. The company has now established a rate of $1 per annum, payable quarterly which the management expects to continue.

Directors of the company are Rt. Hon. Lord Barnby, president; Leslie Biggin, vice-president; K. Markon, general manager and treasurer;

Bank Note Co. Engraves Securities, Stamps, Notes

From Our Own Correspondent

MONTREAL—The first offering of British American Bank Note Co.'s securities to the public (and the first public chance to invest in an enterprise of this type), an issue of 40,000 no par value shares of B. A. Bank Note Co., has been offered by Greenshields & Co. at $13.50 a share. The entire amount was quickly oversubscribed.

Capitalization of British American Bank Note Co. consists entirely of 150,000 common shares authorized and outstanding.

In the prospectus, the record of earnings shown reveals that the company's business and earning power have been exceptionally stable. Howard W. Pillow, president, states:

"British American Bank Note Co., Ltd., which was established in 1866, is engaged in the business of engraving and printing bank notes, bonds, stock certificates, cheques, etc., for governments, banks and corporations, and the production of postage and revenue stamps for governments. The company has contracts with the Government of Canada for supplying victory bonds and revenue stamps; with the Bank of Canada for engraving of notes and with other government departments for various engraved supplies. The company also prepares securities regularly for a large number of Canadian provinces, municipalities and corporations.

In Planning Your Will

it is well to remember that your Will is the keystone of your estate. The preservation of that estate as well as the welfare and security of your heirs are dependent to a large extent on the ability of your executors and trustees. Our Estate Officers will gladly consult with you regarding *your* Will and the carrying out of your wishes.

CAPITAL TRUST CORPORATION LIMITED
MONTREAL OTTAWA TORONTO

Common Share Financing

We will purchase for our own account, and distribute to investors, large blocks of Common Shares in Close or Family Corporations. We will also purchase and distribute privately, substantial blocks of "listed" Common Stocks whose holders may wish to dispose of all or part of their holdings without unduly disturbing the market.

Confidential inquiries invited.

Gairdner & Company
Limited
320 Bay Street, Toronto
ELgin 2301
360 St. James St. W., Montreal
MArquette 4194

CITY OF VICTORIA, B.C.
3¾% SERIAL DEBENTURES

Maturing—$100,000 Each Year
2 January 1972 to 1975

PRICE: 100. and accrued interest
yielding 3¾%

BELL, GOUINLOCK & CO.
LIMITED
MONTREAL TORONTO WINNIPEG

Dexter Red Lake Gold Mines is reported to have been concentrating on surface work to determine if possible the location of the projected extension of the Cochenour-Willans break on its 14 claims in the northeastern sector of the Red Lake area. Present plans are to explore the carbonized formation which is reported to have widths up to 60 ft.

We have prepared a descriptive memorandum on:

WESTERN GRAIN CO. LTD.
BONDS — PREFERRED STOCK
Supplied on request

K. G. MacDuffee & Co.
209 Dominion Bank Bldg. ELgin 5296
TORONTO - CANADA

STEEL FABRICATORS

Manufacturers of
Fabricated steel products, welded or rivetted, covering a wide range of industrial purposes. We specialize in tanks, breechings, elevator buckets, boiler and elevator casings, etc.

If you have a special problem — or a routine job — send us your specifications. We can help you.

48 ABELL ST., TORONTO 3.

PLATE & STRUCTURAL STEEL PRODUCTS COMPANY LIMITED

NEW ISSUE

$3,920,000
Province of British Columbia
Serial Debentures

To be dated February 1, 1945 To mature serially February 1, 1946-1960

Principal and half-yearly interest (February 1 and August 1) payable in lawful money of Canada in Victoria, Vancouver, Winnipeg, Toronto, Montreal, at the holder's option. Coupon debentures in the denomination of $1,000. Debentures may be fully registered or registered as to principal only.

Legal Opinion: Messrs. Daly, Thistle, Judson & McTaggart

In the opinion of Counsel these debentures will be direct obligations of the Province of British Columbia and will be a charge as to principal and interest on the Consolidated Revenue Fund of the Province. The proceeds of this issue will be used to refund, in part, an issue of $3,989,000 5½% debentures due February 1, 1945.

Schedule of Maturities and Prices

Amount	Maturity	Coupon	Price	Yield
$350,000	February 1, 1946	2 %	SOLD	
350,000	February 1, 1947	2 %	SOLD	
350,000	February 1, 1948	2 %	SOLD	
300,000	February 1, 1949	2¼%	SOLD	
300,000	February 1, 1950	2½%	SOLD	
227,000	February 1, 1951	2½%	SOLD	
227,000	February 1, 1952	2½%	SOLD	
227,000	February 1, 1953	3 %	SOLD	
227,000	February 1, 1954	3 %	100.00	3.00%
227,000	February 1, 1955	3 %	99.75	3.03%
227,000	February 1, 1956	3 %	99.75	3.03%
227,000	February 1, 1957	3 %	99.50	3.05%
227,000	February 1, 1958	3 %	99.50	3.05%
227,000	February 1, 1959	3 %	99.25	3.07%
227,000	February 1, 1960	3 %	99.25	3.07%

All prices are "and accrued interest"

A Descriptive Circular will be furnished upon request.

We offer these debentures if, as and when issued and accepted by us, subject to the approval of Counsel.
Subscriptions will be received subject to rejection or allotment.
It is expected that debentures in interim form will be available for delivery on or about February 1, 1945.

A. E. AMES & CO.
LIMITED

DOMINION SECURITIES CORPORATION LIMITED | WOOD, GUNDY & COMPANY LIMITED

The Editorial Page . .

Cartoon by Grassick.

LOOKS AS IF MR. KING HAS OTHER PLANS

Municipal Role Vital

Municipal government has always touched the citizen much more directly and in many more ways than either provincial or federal government because municipal government has so much to do with the physical conditions under which he lives and works.

And in the years following the war, everything points to the role of the municipal government assuming greater importance.

Anything, therefore, that contributes to more intelligent and better informed municipal government is of great national value.

Just out is the first issue of Municipal Affairs, the monthly bulletin of the Nova Scotia Municipal Bureau which is under the direction of Dalhousie University, with the assistance of provincial and municipal funds. Director is the very energetic Professor L. Richter of Dalhousie.

Aims of the new Monthly Bulletin are:

To further the progress of municipal self government.

To serve as a chronicle of municipal life in the province.

To give information about important municipal developments throughout Canada and in other countries.

To report on municipal research and other activities carried on by the Nova Scotia Municipal Bureau.

This is a most commendable effort, not only because of its value in promoting the idea of good municipal administration, but because one of the greatest handicaps of the well-intentioned municipal officer to date has been the astonishing lack of basic information about municipal operating methods.

First major operation of the Nova Scotia Municipal Bureau was last summer when it put on a special course in municipal finance for municipal clerks and treasurers. Outstanding men in their respective fields lectured on municipal budget-making and control, the responsibilities of finance officers and tax collection administration.

The work of organizations like the Nova Scotia Municipal Bureau deserves the support of every citizen because such efforts can result only in greater comfort and greater economy for the citizen and greater prosperity for the community.

"Let Us Go Forward to . . ."

The most notable thing about the address to shareholders by Morris W. Wilson, president, the Royal Bank of Canada, is that there was no crying about "Let us get back to . . ." The whole speech was a courageous, realistic challenge on the "Let us go forward to . . ." theme.

Despite the obvious fact that we can't go back to anything, to the conditions of 1939 or 1929 any more than to 1439, there is a plethora of current oratory which seems to be aimed at recreating a world that is gone.

The necessity of prompt and healthy development of Canada's foreign trade was Mr. Wilson's theme, and none could be more important. His discussion of what Canada might do if international trade is still to be hobbled with barter deals, bilateralism and other forms of blockade was important.

"If international trade on the broadest scale is not fully restored, what can Canada do independently to preserve her foreign markets? . . . Maintenance and improvement of the quality of our exports, vigorous salesmanship and the acceptance of imports from countries to which we export up to the limit either of their capacity to sell to us or of our ability to absorb their products. These are basic principles which Canada can and should adopt, whatever the rest of the world may do."

Among other alternatives, Mr. Wilson added:

"We might have to restrict our exports to the ability of foreign markets to pay for our products. Since many of our major export commodities are produced on a scale out of all proportion to our own consumption, the subsequent unemployment of men and resources, the agricultural depression and the social problems which would arise, would build up a load that our economy and constitution could not support. Secondly, Canada might provide credits to countries desiring to import goods on a basis similar to the credits which have been established during the war, but with the hope of ultimate repayment. Finally, we could subsidize exports.

"I believe it would be sound policy for Canada not only to extend liberal long-term credits to countries which are actual or potential buyers of Canadian products, but in special cases, to make outright gifts of food, new material, finished goods and machinery to assist and hasten the rehabilitation of such countries."

Another passage in Mr. Wilson's address strongly supports the Bretton Woods monetary plans.

Mr. Wilson's address merits the careful reading of every Canadian businessman. General understanding of the principles it sets forth would help Canada much.

No Mystery About Banking

"I am a firm believer in the capacity of the average Canadian to distinguish simple truth and separate it from political propaganda; therefore, we should tell more fully and more often the simple facts about banks."

So declared F. Hedley Marsh, president, The Bank of Toronto, in his annual meeting address, commenting on the socialist plan to nationalize banking in Canada.

In view of the nonsense talked in legislative chambers and elsewhere about banking, Mr. Marsh's words are indeed timely. Certainly, ever since the creation of the Bank of Canada which took from the hands of the chartered banks the prime function of managing the nation's credit, the socialist plea that the chartered banks must be nationalized to "restore credit to social control" is utter balderdash.

Mr. Marsh well describes present-day functions of the chartered banks:

"A bank, in essence, exists simply because it renders a service that the community needs and is willing to pay for at rates that will yield a modest profit to those who have invested their money in its shares."

That is the bald story of chartered banking in modern Canada and it would help everybody a great deal if it were more widely comprehended.

A banking system run by Coldwell, Lewis, Millard, Scott & Co. has nothing to commend it. Mr. Marsh says:

"(The socialists) admit that they wish to take (the banks) out of the hands of shareholders solely for the purpose of effecting control over all business and of the entire economy of the country . . . The socialists have made it clear that their intention is to use the vast pool of individuals' deposits as a national fund wherewith they may finance grandiose schemes of so-called 'planned economy' and also finance, as they themselves admit, enterprise which may be non-paying but, in their opinion, socially desirable . . .

"Banks set high store upon the secrecy of their clients' business. How long this policy could be preserved if every branch bank manager were an appointee and an agent of a bureaucratic government, is an open question."

Optimism Pays Dividends

Edmonton has long been fortunate in getting good administration from key city officials, so it is not only the influx of population and the dramatic new role of the city as metropolis on the road to Asia that accounts for the very satisfactory financial report recently given to the citizens.

For 10 straight years, the Edmonton Journal points out, the city has collected each year more than the current municipal levy. Total collections of current taxes and arrears amounted last year to 124% of the 1943 levy. It was just about the same in 1943 and 115% in 1942. Sale of land acquired through tax sales in past years is the key to this favorable situation.

Edmonton's optimism a generation ago when it built roads and sidewalks and sewers far out into the prairie has long been a standing joke, whooped long and uproariously by the "wise guys" from other parts of Canada.

Now Edmonton is getting its chance to laugh, and in the nicest way too, in the pocket book.

Furthermore, as pointed out by one Edmonton citizen to The Financial Post, the expansionist zeal of 30 years ago has now served the city well, making possible swift adjustment to the tremendous wartime needs of barracks, airports, giant construction depots, etc.

Socialists Would Kill Incentive

Socialists sneer at the man with initiative; hold in contempt the man who wants to build a business, make things, provide jobs. According to their plans, the job making is to be done by the politicians and the civil servants, with all of us the pawns in their game.

The author and lecturer, Dr. Donald Laird, gives a very apt illustration to this.

The trout is a fighting fish with lots of initiative. But scientists easily found a way to take it all out of him. They put a glass partition in his water tank; the trout in one end, a minnow in the other.

The trout flashed toward the minnow, crashed his nose on the glass. Again and again, he tried; again and again, got a crack on the nose. He watched the minnow carefully; for that day gave up the struggle.

Next day, he was again hurling himself after the minnow, pounding his snout on the glass. But he gave up sooner.

The third day, he tried again, gave up sooner.

A few more days, the partition was removed. But the trout's initiative was gone. He stayed in his own end of the tank. The minnow was completely safe.

There's a moral for those people who think we can safely try "just a little bit of socialism"; then change our political diet if it fails to produce the promised millenium.

The maker of jobs who gets a sock on the jaw from lawmakers and officials every time he shows drive and initiative and fighting spirit soon learns to stop trying. And the biggest loss is to the Canadian people as a whole.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

The Coming World Trade Conference

Announcement has been expected for some months on a world trade conference of governments to reach agreement on postwar commercial policies—a conference which will be equal in importance to the peace conference itself.

Herewith is a digest of an article "The Coming World Trade Conference," by Otto Tod Mallery in the current issue, International Conciliation, published by the Carnegie Endowment for International Peace.

A high priority item on the United Nations agenda of unfinished business is the forthcoming international trade conference.

After the great depression of the 30's struck down country after country, the United States undertook to protect itself by the Hawley-Smoot Tariff Act of 1930, the highest tariff in American history. The next year Britain replied in kind by the Ottawa Imperial Preference Agreements.

By 1933, after their full effect had been felt, the dollar value of the foreign trade turnover of the 75 principal countries had fallen to 35% of the 1929 level. The quantum of world trade in 1935 was only 85% of the predepression level (1928) and never exceeded that level up to 1938 inclusive.

If these policies should be continued, unemployment and lower standards of living would again spread over the world. International depressions have undermined security, disrupted political systems and goaded the bewildered, frustrated and bedevilled heads of states into economic and shooting warfare.

No international method now exists to work together to prevent critical international depressions. One method might be a World Trade Board.

A contract already exists between the U. S. and Britain and between the U. S. and Russia, in the master lend-lease agreement which promises action to expand production, employment and the exchange of goods; elimination of all forms of discriminatory treatment in international commerce; and the reduction of tariffs and other trade barriers. Therefore this conference is to be held.

Britain, U. S. and many other countries will have to increase exports to approach full employment. Richer states cannot raise their own standards of living much, if any, unless they can find a way to raise both the efficiency and the purchasing power of the countries now least able to buy their industrial products.

One of the great potential forces of undeveloped purchasing power in the world exists among the producers of raw materials such as coffee, sugar, fats, fibres and certain minerals. If countries which maintain low labor standards could be developed into an increasing market for manufactured goods during the next century, the volume of world trade might expand in the same surprising fashion that it did during the nineteenth century.

On what terms may the United States and other nations trade with the British and other colonies in the future? And on what terms may they trade with ours? This will have to come up in the forthcoming conference.

Basic job of the conference of course is implementing the contract of the lend-lease agreement ratified by Congress and by the governments of our allies, which promises the elimination of discriminatory trade policies and the lowering of trade barriers.

The forthcoming conference will also grapple with the problem of cartels. Contrary to public opinion the policies of some cartels have been beneficial or at least less injurious than the evils they were aimed to correct. But the word "cartel" has been given such an evil connotation that it cannot be used in describing an international business arrangement without condemning it. Therefore the term "international commodity agreement" is used to apply when policies are thought to be in the general interest. International commodity agreements in such raw materials as cotton, coffee, tin, rubber, copper and wheat are likely to be sought in the forthcoming conference. If achieved, such agreements would have to be registered and supervised by a World Trade Board or its equivalent.

The possibility of creating a World Trade Board is all the better because some of its preliminary parts already have been formed. The United Nations Food and Agricultural Administration and the United Nations Relief and Rehabilitation Administration already exist. The International Bank and International Exchange Fund proposed at Bretton Woods are links in a chain which would be complete with the setting up of a World Trade Board.

Success depends in a large degree upon American public opinion and particularly upon American business opinion.

Post-Scripts . . . .

Farmer on Bank Board

Professor J. W. Grant MacEwan, head of the animal husbandry department, University of Saskatchewan College of Agriculture, and newly elected director of the Royal Bank of Canada, is a farmer who knows his business from both the theoretical and the practical side.

MR. MACEWAN

His parents pioneered north of Brandon, Man., operating a farm there from the 1880's until 1908 and here Grant was born 43 years ago. When he was six years old, his family moved to Melfort, Sask., and again pioneered in the newer province. Thus he got a first-hand knowledge of western farming in all its stages.

Young MacEwan grew up with a fondness for agriculture. After getting his elementary education at Melfort, he attended the Ontario College of Agriculture at Guelph, Ont., graduating as a bachelor of scientific agriculture in 1926. He returned to the West and served for a time with the Saskatchewan Department of Agriculture. Then, on a research scholarship, he took a postgraduate course at Iowa State College winning the degree master of science in 1928. That spring he joined the staff of the University of Saskatchewan, as assistant professor of animal husbandry and in 1934 became head of the department. For the past two years he has been superintendent of the university farm.

Professor MacEwan is greatly in demand throughout the West and on the Pacific Coast as a judge of livestock. He is the author and coauthor of several standard textbooks on agriculture and animal husbandry. In collaboration with A. H. Ewen, he wrote "The Science and Practice of Canadian Animal Husbandry" used as a textbook in Saskatchewan schools and "General Agriculture," also a textbook in some provinces. He is the author also of "Breeds of Farm Livestock in Canada," and is associate editor of "Canadian Cattlemen."

On the board of many agricultural societies, he is honorary manager and past president of the Saskatoon Industrial Exhibition, vice-president of the Canadian Association of Exhibitions and chairman of the Board of Review, Prairie Farm Assistance Act.

An accepted authority on livestock, he has gained a wide reputation as a lecturer, a witty after-dinner speaker and radio commentator.

Though now a college professor, he is still a practical farmer, owning land in northern Saskatchewan and in the foothills of the Rockies. He operates his own farm, about nine miles from the E.P. ranch.

Professor MacEwan is the second farmer to be elected a director of one of the chartered banks, the election of J. J. E. McCague to the Bank of Toronto board having been announced recently.

On the Job Already

A reserved man who likes the press best when there are no notebooks around, is William Allan Mather, who is vice-president of the Canadian Pacific Railway's western lines, and newly appointed director of Great-West Life Assurance Co.

MR. MATHER

"He's going to be a good director," says H. W. Manning, vice-president and managing director of the Great-West Life. "He's attended two meetings already and has shown a great deal of interest."

His friends describe him as genial, popular. An employee describes his as "the fairest-minded man you could meet." As for being thorough, he has a reputation for knowing every foot of CPR trackage from Port Arthur to Vancouver.

A short man, a little on the pudgy side, he met this reporter with: "I guess you've heard I don't seek publicity. I've never done anything worth writing about." Then he has a knack of turning the tables and asking newspapermen what they have been doing lately.

"I believe I played golf with him once within the last dozen years or so," a friend recalled. Mr. Mather says: "I play golf when I can. Maybe five times a year, and my score shows it. I also fish a little and shoot birds when I can."

He is also a director of Calgary and Edmonton Corp., member of the Winnipeg Advisory Committee of the Royal Trust Co., member of the operating committee, Northern Alberta Railways, and president, Esquimault and Nanaimo Railway.

He is on the board, Winnipeg General Hospital, and the Knowles School for Boys, Winnipeg. He belongs to the Manitoba Club, the St. Charles Country Club, the University Club, Montreal, the Vancouver Club, and the Assiniboine Club, Moose Jaw.

Born in Oshawa, 1885, his parents took him to Keewatin as an infant. His schooling was in Kenora. From McGill University he graduated in engineering in 1908. "I was one of those boys who played around and didn't study," he says with a faint blush.

Summer vacations, he worked for the CPR as axeman, surveyor, tapeman, rodman and instrument man. When he graduated he joined the CPR full time and settled down to work and rapid advancement.

By 1910, at 25, he was resident engineer at Winnipeg. In 1912 he was superintendent Kenora division. At 30 he was superintendent Medicine Hat division and the same year was promoted to assistant general superintendent at Vancouver. In 1918 he was general superintendent of Saskatchewan and in 1932 he filled a similar post in Alberta.

At 48 he was assistant to the vice-president in Montreal. He returned to Winnipeg in 1934 to be general manager of western lines. His appointment to the vice-presidency came in 1942.

Mr. Mather was never known to fly until the CPR acquired an airline, then he took trips into the north as frequently as time would allow. He also visited the Alaska highway on several occasions and found an engineers' keen delight in the problems of throwing roads and bridges across Canada's rugged northwest.

His son, David C. Mather, 17, was one of five members of the Royal Canadian Sea Cadet Corps to win a $1,000 scholarship awarded by the Navy League of Canada. He is in training at the Royal Naval Training College, Royal Roads, Victoria.

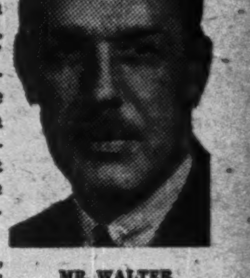
Mrs. Mather is the former Maynard Cruickshank, Moose Jaw.

Membership of the Income Tax Payers Association is now over 5,500 members, according to the secretary, Herbert Adamson, Winnipeg, and not as recently reported in this column.

New Style Banker

M. M. ("Matt") Walter, newly appointed assistant general manager of the Royal Bank of Canada, is the antithesis of the old-time popular conception of a banker. However, he is a fair representative of the type of younger men the banks are moving up into their highest executive positions.

Active in the head office branch of the Royal Bank, on St. James Street, since 1928, "Matt" Walter has become one of the best-known men in Montreal's financial district and certainly one of the most popular.


MR. WALTER
"Dora of Eaton's photo."

Alert, dynamic, energetic, a good mixer, his personal popularity has proved a tremendous help to various community and charity enterprises, as well as to the Royal Bank. The Canadian Red Cross Society and Montreal Welfare Federation are among the organizations most indebted to Walter's willing co-operation and assistance.

Walter was born in Ontario and began his banking career with the Royal Bank in Oshawa in 1912. This career was interrupted temporarily by three and half years' service during the last war.

On his return to Canada Walter resumed his work with the Royal Bank, continuing to serve in various branches in Ontario until, in 1924, he was transferred to the supervisors' department in Toronto. Four years later he was moved to the head office in Montreal, became assistant manager of the Montreal branch and since 1938 has been manager of the Montreal branch.

Walter's interest in military affairs has persisted since his soldiering days. Up until last May (when he was forced to resign his rank due to pressure of other interests) he was a company commander in the 2nd Battalion, Canadian Grenadier Guards (Reserve), and he is a member of the Soldiers' Dependents Advisory Board. He also has been active in the Canadian Legion. His chief recreational interests are golf and skiing, and he is very attached to his country place, at Ste. Agathe, north of Montreal, where he spends as much of his leisure time as he can spare.

Mr. and Mrs. Walter (who was Margaret Elizabeth McCullough of London, Ont.) have one daughter.

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Other People's Views . . . .

The Canadian Editorial of the Week

Businessmen and Parliament

Ottawa Journal

B. C. Gardner, vice-president and general manager, Bank of Montreal, one of the ablest and most progressive of our bankers, speaking to the Montreal Chapter of the Canadian Credit Institute, said among other things:

"I think it is unfortunate that our industrial and financial leaders, of whatever party, do not seek seats in the Federal House. So many matters of great importance to the commercial life of Canada are bound to come up in the postwar period that it would be a real advantage to have the benefit of the judgment of practical men in contrast to the views of those who deal with such matters purely on a theoretical basis."

Mr. Gardner is right. Unfortunately this is a case where merely being right is not enough, where unless right belief is backed by right action nothing can be gained. Mr. Gardner and his friends may talk until doomsday about the need of more expert businessmen in Parliament; unless they are prepared to take the practical, realistic steps necessary to get such men in Parliament, their talk will be but industrious futility.

This industrious futility of talk without action is one of the things wrong with our Canadian politics. Most of us talk and argue and deliver homilies, are sure that we know what should be done, but when it comes to making some sacrifice to see to it that what should be done is done, we too often back away. For years, now, Chambers of Commerce, and bodies like the Canadian Manufacturers' Association and the Canadian Bankers' Association, have been telling themselves they must be more interested in Parliament, but the thing seems to end with the telling. We ourselves can't recall having ever seen a banker at the nominating convention of a party.

Yet it is to the nominating convention of a party that bankers and businessmen must go if they are to get men of their kind in Parliament. There is no other way; certainly the thing can't be done, nor anything approaching it, by speeches and resolutions.

If people want democracy to function properly they have got to work at democracy.

As it is, too many think that democracy can be worked by remote control. Disastrous. Because in democracy, if it is to be competent, an individual cannot delegate his responsibility to a proxy; cannot act through an intermediary. He must act on his own, accept his share of responsibility and inconvenience and even drudgery.

As Others See Us . .

Don't Throw Away Bonds

British Columbian, New Westminster

According to The Financial Post the Ontario Securities Commission granted a license as a broker to a man who was in the penitentiary on charges of false pretenses, conspiracy and arson, and has granted licenses as stock salesmen to a number of men who have run foul of the law in various ways in their dealings with the public.

It may be said that when a man has served his sentence he has expiated his crime and is entitled to a chance to show that, whatever his past, his future is blameless. That view of the matter would be more sound if the honest occupation to which he returns were ditch-digging or some other in which he would not be tempted to "take the suckers." At this time when so many people who have bought victory bonds are unversed in the investment market, the situation is too explosive to take unnecessary chances.

. . .

Stop Me If . . . . .

First Officer: "What do you think is the best thing to produce chest expansion?"

Second Officer: "Medals."

What The Papers Say

We Must Find New Mines

The Vancouver Sun

The mineral industry of British Columbia was a disappointment in 1944. Its output has fallen to $50 millions from the figure of $75 millions in 1941. This is due to such causes as labor shortage and the discouragement of gold mining. While such conditions are temporary, a fundamental danger faces the industry and it is alarming to all mining men—we are not discovering enough new mines.

If men are to risk highly in speculative enterprises they must be given a chance to profit highly, too. That is why taxes on mining are a matter entirely different from taxes on ordinary business, whose risks and prospects can be calculated in advance.

Minister of Mines Carson has made commendable progress in getting all the mine departments of Canada together to unify mining legislation throughout the nation. This is one essential step in the encouragement of mineral discovery and development. The other step is revision of taxation and, since it alone collects the corporation income tax, the Federal Government alone can act here effectively.

The Mail-box

Two Decades Late

Your correspondent on the Bloc Populaire hope to "divide and rule" Canada might have been right if he had been writing of conditions two decades ago. But that period or phase of political expediency has lost its point.

The Lapointe-Cardin bloc which engineered Mr. Mackenzie King's leadership in 1919 worked the "divide and rule" system pretty well threadbare. Its combination with the "ginger group" of Progressives from Saskatchewan was responsible for much of the whirlwind now being garnered in Quebec politics and sectional disunity.

Neither Quebec nor the western provinces now have much to gain from national disunity. The reverse is true, in fact. French Canada has come into its own economically. The economic responsibility of the next phase of Quebec development should demand that racial, religious and sectional differences be absorbed in development of the province in harmony with Ontario and the rest of Canada.

The slow, steady development of smaller industrial centres in Quebec Province during the interwar years, and the relatively greatly increased economic activity and growth of French-Canadian profits from war industry, spell a new era of expansion during the postwar period. Economic emancipation for Quebec workers and economic responsibility for Quebec executives will necessitate and bring about a swift reorientation in the Quebec political situation. Neither is in any way unworthy of this trust.

French Canada is neither anti-Canada nor anti-British. It is inexorably against economic domination by foreign capital interests.

Quebec's problem is largely one of autonomy — economic self-administration.

Perth, Ont. E. S. BATES.

Should We Change Municipal Building By-laws?

Here is What Some of Our Leading Architects Think

The Question: What change in local building by-laws and regulations would foster residential construction, encourage application of new materials and techniques?

John Bland

McGill University, Montreal.

Good by-laws do not specify or imply any particular material but rather state the minimum requirement. For example, X wall should be capable of carrying Y load, have Z rating regarding fire resistance and perhaps T rating regarding heat transmission, making it possible to use any material or group of materials having been reliably proved capable of satisfying the requirement. Many old by-laws are specifications conceived in terms of one material or another. These should be revised but I do not know whether by-law revision would encourage house building appreciably.

• • •

C. W. U. Chivers

Northwood & Chivers, Winnipeg.

By-law regulations at this date are the minimum requirements necessary under existing conditions. The use of new materials and techniques will have to be proved before any changes to safe practice. It may be some time before new materials are produced, with a further lag before acceptance. The City of Winnipeg is prepared for such an eventuality in that their charter and amendments cover such changes. See their charter (Sec. 667 Cap 81) dated 1940.

• • •

Colin Drever

Drever & Smith, Kingston.

Building and zoning by-laws are sufficient to protect public interests. Adequate civic field supervision of building construction is lacking here. Residential construction, the bulk of which has only builder or contractor supervision, would be fostered and encouragement given to responsible contractors and prospective homeowners if supervision service were supplied by the city. Lack of suitable materials has also deterred home building. New techniques have an extensive field and governing factors will be sound planning and designing. This will require the best skill that can be secured in architectural, engineering, construction and manufacturing fields. New materials have their place but final analysis of suitability will be determined by practical application in the field.

• • •

William F. Gardiner

Architect, Vancouver.

British Columbia and Vancouver in particular do not necessarily require any change in their building by-laws or regulations to foster a great demand for new residential construction. But what they do most urgently require is the release of building materials. This applies particularly to lumber, plumbing and hardware fixtures, which materials might be more equally distributed. Study for revision of building by-laws might well give first consideration to quality construction applicable to available, familiar building materials.

• • •

A. J. Hazelgrove

Hazelgrove & Mills, Ottawa.

No change is necessary in Ottawa where the building by-law provides for a board of appeals to determine acceptance of new techniques or materials. I consider the solution of the urgent problem of residential requirements demands that the larger construction firms bring their experience and resources to bear on it. Rule-of-thumb methods must be eliminated as must also the public demand for meaningless and expensive individuality. The situation is no longer in the realm of housing. It has reached the more acute stage of shelter provision. The construction industry can meet the problem but not on the basis of competition with the speculative builder.

• • •

Harold Lawson

Lawson & Little, Montreal.

Building by-laws should establish principles governing construction and only to a lesser degree should they impose specifications and regulations of a restrictive nature. They should in all cases be correlated to zoning and subdivision regulations. Existing requirements in many municipalities with respect to masonry wall thickness create an unnecessary cost burden in residential structures. Wood structures for one family occupancy might well be permitted in areas zoned for that purpose provided all amenities are observed. In these areas also laminated walls or prefabricated panels of approved design and materials might also be permitted and building by-laws brought up to date to include this type of construction.

• • •

John Layng

Architect, Toronto.

New technical findings in the residential construction industry will be advanced only by certain basic changes in the official approach to by-laws and regulations.

(1) Control agencies need a positive viewpoint to replace their negative viewpoint which is at present defeating their supposed purpose, to maintain and to elevate construction standards.

(2) Central research and information bureaus should be used more so that scientific fact will outweigh obtuse opinion.

(3) Control authorities should understand that a bullying attitude is both restrictive to intelligent building and insulting to the construction industry which has a high degree of integrity and enterprise.

• • •

J. Y. McCarter

McCarter & Nairne, Vancouver.

Vancouver building by-laws and regulations are fair and equitable and in no way restrict residential construction. All materials and labor in short supply will remain so until the termination of the war and some considerable time thereafter. Basic materials of the past will still be in use, new techniques such as plastics being used largely for interior fitments as for door, window trim, counter tops, etc. As wages are increased work will be deleted from the building or cheaper methods substituted in an endeavor to maintain the lowest possible construction costs. In 1940 the amount in the average building was still the same as 1907.

• • •

Herbert Eastwood Murton

Architect, Hamilton.

Hamilton by-laws were revised recently. They are very complete and considered among the best in Canada. I have heard no comment or criticism from local architects. The city building inspection department is always open to consider new methods of construction and offers every co-operation to the profession.

Prof. Milton S. Osborne

University of Manitoba, Winnipeg.

Revise local building by-laws to remove unnecessary restrictions on construction not adding to the safety and usefulness of the structure.

Standardize building materials ensuring proper and adequate construction to fit local conditions.

Develop a standardized and compact unit combining heating, plumbing and kitchen equipment prefabricated for easy installation.

Organize the building industry to promote home construction on a low-cost basis.

Ensure proper and individual design through employment of architectural services.

Provide increase in the amortization period to reduce the amount of monthly payments on loans for home construction.

Relieve real estate of burdens of taxation for public services.

Provide sound and effective town planning and zoning backed by proper legislation to protect property owners and ensure efficient land use.

• • •

John B. Parkin

Architect, Toronto.

The whole system of local building by-laws could be replaced to advantage by nation-wide adoption of a national building code. Such a procedure would lead to increased standardization and reduce building costs. This should be followed by establishment of a building research bureau similar to an English building research station. The bureau would pass on all new materials and techniques in a thorough and scientific manner releasing authorization to local authorities.

Periodically the bureau would deal exclusively with the problems of the construction industry which employs approximately one tenth of all Canadian workers. Specific problems would be dealt with from time to time in bulletins issued by the bureau. As a result construction methods would be greatly improved and a higher dollar value assured the prospective homeowner.

• • •

Gordon McL. Pitts

Maxwell & Pitts, Montreal.

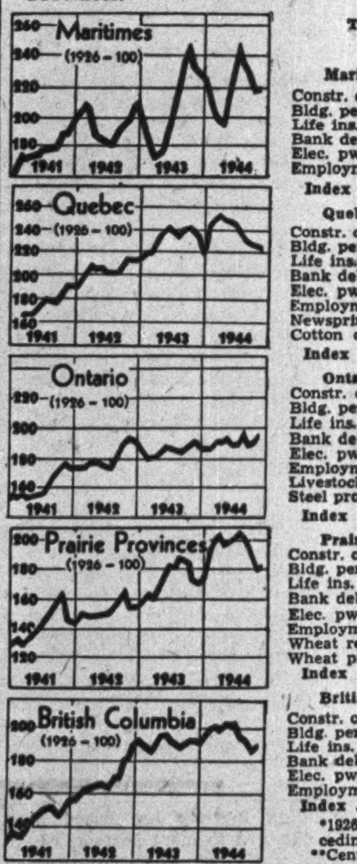
In general, building by-laws and regulations have been enacted at public demand for the safety and health of the individual and his neighbor. Stimulation of residential construction is routed in finance and the economies to be achieved by a downward revision of building by-laws are infinitesimal compared with the impetus involved in a downward revision of the realty tax, the income tax, succession duties, labor costs, etc. Existing by-laws are sufficiently adaptable to accommodate the use of any new and prac-

(Continued on page 8)

Business Up in Nov. In Four of Five Regions

Business activity recorded a slight betterment in four of the five economic areas in November over the preceding month. The exception was Quebec, where the business index was nearly maintained.

Financial factors were constructive. Due to heavy payments on the Seventh Victory Loan, cheques cashed in clearing centres rose sharply in all five areas even after seasonal adjustment. Sales of life insurance were greater in each of the areas except the Prairie Provinces.



Trend of Business in Economic Areas

	Nov. 1944	% Change Nov. 1943	Oct. 1944
Maritimes:			
Constr. contr. ...... $	1,393,000	+72.0	2,135,000
Bldg. permits ...... $	196,000	—40.2	376,000
Life ins. sales .. $000	4,066	—1.2	3,395
Bank debits . $000,000	156.2	+12.5	114.8
Elec. pwr. . kw.h.000	3,302,000	—4.0	3,036,000
Employment*	189.1	—0.9	184.5
Index	220.7	—5.0	220.0
Quebec:			
Constr. contr. ...... $	6,804,000	+13.7	3,689,000
Bldg. permits ...... $	2,738,000	+22.0	3,952,000
Life ins. sales .. $000	14,096	—3.4	12,445
Bank debits . $000,000	1,911	+11.2	1,291
Elec. pwr. . kw.h.000	43,943,000	—15.8	47,102,000
Employment*	193.8	—4.5	200.0
Newsprint prod., tons	256,762	—1.0	258,301
Cotton consump., lb.	14,348,,086	+0.7	13,314,851
Index	224.5	—5.0	226.5
Ontario:			
Constr. contr ...... $	6,533,000	+32.2	11,081,000
Bldg. permits ...... $	3,061,000	+23.7	4,315,000
Life ins. sales .. $000	21,509	—2.7	21,204
Bank debits . $000,000	2,969	+16.4	2,191
Elec. pwr. . kw.h.000	34,543,000	+2.7	32,541,000
Employment*	189.5	—0.7	186.5
Livestock slaughter.*	284.6	+1.4	231.0
Steel prod. .. net tons	268,923	+3.7	275,524
Index	196.6	+2.8	193.4
Prairie Provinces:			
Constr. contr. ...... $	2,561,000	+77.5	2,521,000
Bldg. permits ...... $	1,088,000	+67.1	1,312,000
Life ins. sales .. $000	9,146	+5.8	8,191
Bank debits . $000,000	1,237	+7.1	1,043
Elec. pwr. . kw.h.000	7,393,000	+5.0	6,929,000
Employment*	148.0	+1.1	150.3
Wheat receipts .. bu.	53,207,000	+35.9	66,109,000
Wheat prices**	125	.....	125
Index	183.1	+7.6	182.1
British Columbia:			
Constr. contr. ...... $	1,610,000	—12.8	1,499,000
Bldg. permits ...... $	1,098,000	+44.3	1,959,000
Life ins. sales .. $000	3,532	—5.4	3,430
Bank debits . $000,000	398.3	+14.0	291.4
Elec. pwr. . kw.h.000	7,634,000	+6.5	7,009,000
Employment*	185.6	—6.0	188.1
Index	191.9	—0.2	188.7

*1926=100. Employment statistics apply to preceding month.
**Cents and eighths of 1 cent per bushel.

Business This Week

THE FINANCIAL POST	Dec.	Nov.	Oct.	Sept.	Year Ago
PRODUCTION INDEX (4)	....	242.9	245.0	248.0	264.0
GOVERNMENT FINANCE (millions of $)					
■National income, D.B.S.	....	784.5	....	802	767.3
■Dom. war expend.	356.5	78.2	378.1	346.5	533.4
■Dom. total revenue	139.8	153.2	242.7	229.3	206.2
■Dom. total expend.	732.0	167.3	437.4	407.3	695.0
MERCHANDISING					
Dept. store sales index no. (1) ..	....	194.9	171.4	179.7	168.8
■Retail sales index no.	....	190.7	182.6	178.6	172.8
■Wholesale sales index no.	....	196.0	202.6	205.4	172.2
Country store (% change pr. yr.)	....	+7.0	+6.1	+10.2	+5.3
FINANCE					
Divd. payment index (5)	....	129.9	129.9	129.8	124.6
Bank deposits, index (1)	....	....	202.9	200.3	200.3
Bank debits, index (1)	....	....	164.3	184.3	155.0
Money supply (millions $)	....	....	6,036	5,743	5,034
NEWSPRINT % OF CAPACITY					
■Production ratio	....	69.4	69.8	68.6	69.2
■Shipment ratio	....	70.1	71.0	71.1	70.4
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S. index)	....	164.4	140.4	160.6	126.4
Cars (D.B.S. index)	....	142.3	127.4	128.3	121.6
COST OF LIVING					
D.B.S. index	118.5	118.9	118.6	118.8	119.3
EMPLOYMENT INDEX, D.B.S.					
■All industries	....	183.8	183.3	185.5	188.7
Manufacturing	....	....	223.7	236.2	231.4
Payrolls (June 1/41=100 (2)	....	....	149.9	148.5	149.4
■Payrolls (1937=100) (3)	....	225	231	222	215

RAILWAYS—(000's omitted)	1945-44	1944-43	1945-44 Jan. 1 to date	1944-43 Jan. 1 to date	% Change
■Carloadings week Jan. 6	49.9	44.8	.....	.....	....
■C.P.R. gross (week Jan. 7)	4,523	4,803	.....	.....	....
C.N.R. gross rev. (Nov.)	36,979	37,001	402,623	401,535	+0.2
C.N.R. net rev. (Nov.)	5,575	7,226	71,958	88,563	—18.8
C.P.R. gross revenue (Nov.)	27,165	27,461	293,279	269,825	+8.7
C.P.R. net rev. (Nov.)	6,631	5,591	38,410	44,194	—13.1
IRON AND STEEL (000's omitted)					
Pig iron production (tons)	147.0	154.1	1,713.5	1,621.0	+5.7
Steel production (tons)	268.9	259.4	2,780.9	2,769.2	+0.4
CONSTRUCTION (000's omitted)					
Contracts awarded (Nov.) $	18,902	14,147	279,232	194,115	+43.8
Building permits (Nov.) $	8,180	6,488	119,795	73,809	+62.3
■Cement prod., bbls. (Oct.)	878.5	813.9	6,443.3	6,587.0	—2.8
AGRICULTURE (000's omitted)					
Flour prod., bbls. (Nov.)	2,307	2,176	8,344	8,197	+1.8
Flour exp., bbls. (Nov.)	981	858	12,706	11,791	+7.7
Wheat exp., bush. (Oct.)	28,716	19,967	241,272	156,333	+54.5
■Cattle sales (4) (Dec.)	164.9	91.1	1,507.5	1,184.8	+27.2
Hog sales (4) (Dec.)	729.8	1,041.5	8,863.2	7,147.5	+24.0
SEA FISHERIES (000's omitted)					
Catch, cwts. (Aug.)	1,794	2,202	7,199	7,823	—7.9
Landed value (Aug.) $	7,727	6,751	30,654	27,124	+13.1
NEWSPRINT (000's omitted)					
Production, tons (Nov.)	257	256	2,747	2,755	—0.3
■Exports, tons (Nov.)	259	261	2,769	2,673	+3.6
MINING AND OILS (000's omitted)					
■Coal prod., tons (Nov.)	1,638	1,472	15,486	16,232	—4.6
Gold rec. (fine oz.) (Nov.)	240	264	2,686	3,339	—19.6
■Petroleum prod. brl. (Oct.)	884.3	859.4	8,424.1	8,430.0	+0.1
ELECTRICAL POWER OUTPUT (000,000's omitted) Nov.					
Total monthly kw.h	3,440	3,461	37,110	36,818	+0.8
FOREIGN TRADE (thousand $)					
Imports (Nov.)	141,617	160,311	1,631,682	1,600,205	+1.9
Exports (Nov.)	312,491	289.912	3,173,074	2,868,904	+11.9
OTHE RINDUSTRIAL FACTORS (000,000's omitted)					
Shoe prod., pr. (Sept.)	2.9	2.7	26,462	25,664	+3.1
Cotton consump., lb. (Nov.)	14.3	14.3	148.4	165.8	+10.5
Cigarette cons. No. (Nov.)	1,044	1,064	10,218	10,655	—4.1
FINANCE (millions $1)					
Bank debits (Nov.)	6,671	5,913	55,614	49,659	+11.9
Bond sales (Dec.)	79	175	566	535	+5.8
Life insurance sales (Nov.)	53	54	566	535	+5.8

(1) Base period 1935-39=100
(2) All industries
■ New items for week
(3) Bank of Commerce set.
(4) Total at yards and plants
(5) Nesbitt, Thomson, est.

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★ WILL INVEST UP TO $50,000 ★

Executive under forty, experienced in large organizations, with successful history and proven ability as an organizer and in management; is also a chartered accountant; is interested in purchasing control of a manufacturing, retailing or distributing business and joining the business in an executive capacity or as operating head.

ALL REPLIES WILL BE TREATED AS ABSOLUTELY CONFIDENTIAL PLEASE GIVE NAME AND NATURE OF BUSINESS IN FIRST LETTER

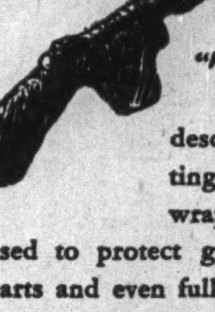
To be of interest the business must be one which shows possibility for substantial growth.

Replies: Box 142, THE FINANCIAL POST, Toronto 2, Ont.

JOHNSTON EVERSON & CHARLESWORTH
Writers on Public Relations
J. G. Johnston, R. G. Everson, J. L. Charlesworth, W. A. Higgins, C. R. Haworth
1253 McGill College Ave. Montreal
1608 Northern Ontario Bldg., Toronto 1

Good Rich Refining Company
Limited
5% Secured Debentures
Dated Dec. 15, 1944. Due Dec. 15, 1959
Price: 100 and accrued interest to yield 5%
Denominations: $1,000 and $500
A prospectus describing this issue will be mailed upon request.

McLEOD, YOUNG, WEIR & COMPANY
LIMITED
Metropolitan Building, Toronto
Telephone: Elgin 0161
Offices at Toronto, Montreal, Ottawa, Hamilton, London, Correspondents in New York and London, England.



"TIGHTS" is a good word to describe the close-fitting, moisture-proof wrapping now being used to protect gun barrels, radio parts and even fully assembled automatic weapons for delivery to our troops on the invasion beaches and in the field. Thus packed, stores can be safely put ashore through the surf and, if necessary, stored in the open.

In the case of automatic weapons, the heavy black grease formerly used is no longer required. Instead, the mechanism and barrels are lightly lubricated and all the soldier need do is to strip off the covering, clamp on the magazine, and the gun is ready to fire.

There are several types of this interesting wrapping, each with its own specific use. One is of cotton sheeting combined with "Cellophane" and coated with wax. It is strong, tough, impervious to sea water, rain, mud.

The use of "Cellophane" in this way is an example of how this familiar transparent wrapping material is being combined with other substances to meet and overcome new shipping problems. It also demonstrates another way in which Industrial Chemistry is helping in the war.

CANADIAN INDUSTRIES LIMITED

● HOME — that's the important background for your sales story. Sell the family and you're on the high road to increased sales.

In Montreal, you can reach practically every English family *at home, in the evening*, with ONE newspaper — the Star. Whether you have available goods now, or are looking ahead to peace-time business, the Star's home readership will build sound, consistent sales for you in this well-to-do market.

To advertisers, interested in Montreal, the Star will be pleased to furnish facts and figures on this all-important market as an aid to post-war sales.

The Montreal Daily Star
"Canada's Greatest Newspaper"

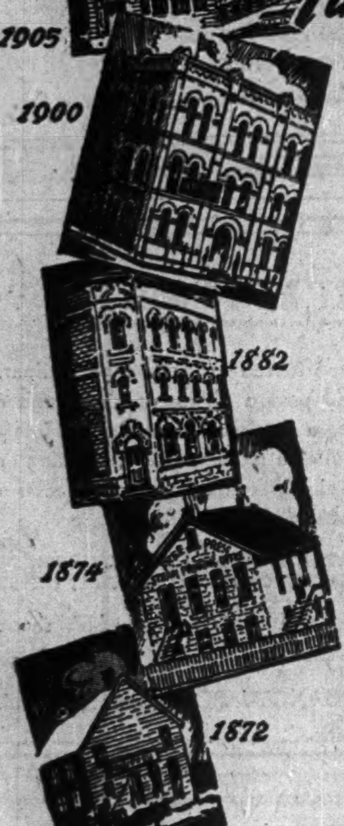
POSTERS KEEP YOUR ADVERTISING SIGHTS "ON TARGET"

When you buy a "24 Sheet" poster you are investing in the most versatile and flexible sales-creating ammunition possible. For with Posters there is no waste coverage. You are always "on target".

Poster showings can be arranged precisely where, when and how you need them in your advertising campaign. They can be geared to meet any merchandising situation.

POSTER ADVERTISING ASSOCIATION OF CANADA
80 RICHMOND ST W., TORONTO

Time-Tested Dependability

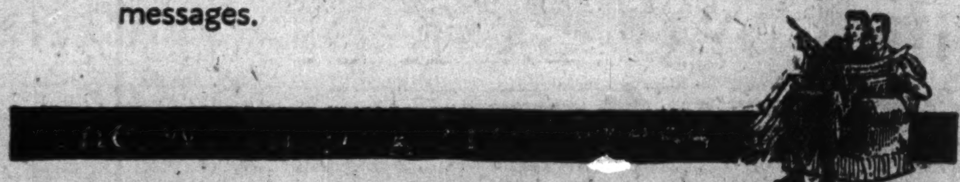


How long does it take to build an advertising medium?

No one knows. Opinions vary with every answer. But to manufacturers who gauge their advertising expenditures on steady, year-after-year progress, to buyers of space who select shrewdly, the time-tested effectiveness of a medium is all-important.

In the Greater Winnipeg market, the Winnipeg Free Press — "the paper of the people's choice" — meets the requirements of the advertiser who demands a solid foundation upon which to base his sales programme. More than seventy years of unfailing attention to every detail of newspaper prestige has produced for the Free Press a ready acceptance and approval, ensuring resultful attention for all advertising.

Sound interpretation of the news, fearless editorial expression and a constant alertness on questions of public interest since its first issues have combined to create and maintain the high position enjoyed by the Free Press with the people of the community since 1872. That position—evidenced by its consistent circulation growth—makes the Winnipeg Free Press a most effective and economical medium for your advertising messages.



TORONTO
1206 Canada Permanent Building
320 Bay Street

NEW YORK
12 East 41st Street

CHICAGO
1823 Tribune Tower
435 N. Michigan Avenue

CNR ECONOMIST

F. A. Gaffney, appointed transport economist of the Canadian National Railways, at Montreal. Effect on railways of highway and air competition will be one of his studies.

In Your Opinion

(Continued from page 7)

tical materials or techniques which are compatible with our climate and standard of living.

• • •

A. J. C. Paine

Staff Architect, Sun Life Assurance Co. of Canada, Montreal.

New building techniques, new materials and modifications of building regulations are but incidental factors in the control of residential construction. The main requirements are an adequate flow of skilled labor, essential materials and working capital. Financing the construction of housing, which is one of the most important factors, can be facilitated through a liberal policy in administering the National Housing Act. A reduction in holdback upon builders' mortgage loans and a modification of proprietor-purchaser qualifications would increase and control the volume of residential construction wherever financing by loans is required.

• • •

Peter L. Rule

Rule, Wynn & Rule, Edmonton.

Local building by-laws offer no obstacle to residential construction. Provincial regulations, chiefly the mechanics lien law, are the basis for objections of mortgage and loan companies to make funds available here. A limited degree of prefabrication would be welcomed; any or all new materials find ready use and a market. There is great difficulty securing even traditional materials. Immediate need is for 7,000 homes in this city. The prospect is 650, due to lack of housing funds. Large projects here have been very successful. Approximate 30% wartime increase in cost is no deterrent where funds are available.

• • •

W. L. Somerville

Office of W. L. Somerville, Toronto.

Local building by-laws are not flexible enough in their present form to encourage use of new techniques and materials. However, current residential construction is little affected by this. There are few new materials available for civilian use and there is a negligible amount of residential construction. The entire principle on which our present building by-laws are based must be changed to meet postwar conditions and advances in construction methods. Present by-laws are restrictive rather than permissive, following U. S. custom rather than British and European which are permissive, allowing greater freedom in structural design and use of new materials.

New $750,000 Issue By Blue Ribbon Corp.

Blue Ribbon Corp. is issuing $750,000 of bonds of which $125,000 are 2½%'s due Dec. 1, 1945-49 ($25,000 per year); $125,000 are 3%'s due Dec. 1, 1950-54 ($25,000 per year); the remaining $500,000 are 4½%'s due Dec. 1, 1964.

Proceeds are to be used to purchase for cancellation outstanding preferred shares. At a price not exceeding $50 a share flat it is anticipated that proceeds will be sufficient to purchase over 13,000 shares. The change in capital setup will reduce annual carrying charges by approximately $45,240, it is stated.

The short term bonds are already sold and the 4½% first secured bonds are being currently offered at 99½ and accrued interest to yield about 4.54% through a syndicate of McLeod, Young, Weir & Co., and Cochran, Murray & Co.

All bonds are to be dated Dec. 1, 1944. A sinking fund will be established sufficient to retire $360,000 of the 4½% bonds due 1964.

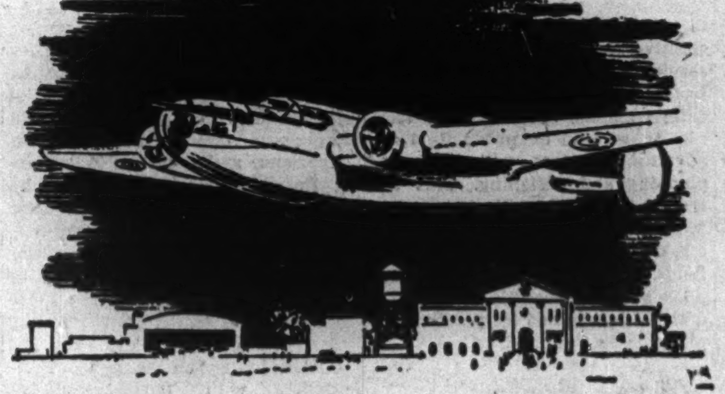
Gatineau Power Net Dips in 3rd Quarter

From Our Own Correspondent

MONTREAL—Operating revenue of Gatineau Power Co. during the quarter ended Sept. 30, 1944, declined to $2,342,150 from $2,674,647 in the same 1943 period, other income declined to $26,541 from $33,151, to make total revenue $2,368,690 against $2,707,798. Expenses increased to $404,135 from $357,946, taxes were lower at $317,678 against $499,632. After deducting interest, depreciation, exchange loss and other charges—all about the same as last year—net income was $481,803, equal after preferred dividends to 17c. a share on the common in 1943 quarter of $667,or 28c. a common share.

For the first nine months of this year, operating revenue totalled $7,294,084 against $7,713,826 in like 1943 period, and other income was $93,143 against $97,234. After all deductions, net income totalled $1,689,604, equal to 65c. a share on common, compared with net income in 1943 period of $1,883,196, or 77c. a share on common.

DICTAPHONE
RECORDS INSTRUCTIONS FOR AIRPORT CONTROL



On Airways in Canada every inter-phone order, given by the Airway Traffic Control, is faithfully recorded by Dictaphone Belt recorders. Should a flight ever figure in the investigation of an accident or irregularity in the observance of a flying regulation, a running account of the instructions given is always available. These records become valuable in the training of new personnel.

Recordings are made on a 3½-inch wide flexible belt 12 inches long. These are of plastic material, and are unbreakable. They cost but a few cents each, hold 30 minutes of recording, and can easily be filed or mailed.

Not only on Airways, but wherever it is important to keep records of spoken words, there is a Dictaphone equipment to do the job inexpensively—whether it's an office dictating machine or units for air traffic logging, monitoring foreign broadcasts, or more highly specialized problems.

We welcome the opportunity of working with you to adapt Dictaphone equipment to meet your own special requirements.

DICTAPHONE

DICTAPHONE CORPORATION LIMITED 86 RICHMOND ST. W., TORONTO

The word DICTAPHONE is the Registered Trade Mark of Dictaphone Corporation, Makers of Dictating Machines and Accessories to which said Trade-Mark is Applied.

You're my kind . . . Have a Coca-Cola

. . . or allies enjoy a friendly pause

There's a friendly phrase that speaks the allied language. It's *Have a Coke*. Friendliness enters the picture when ice-cold Coca-Cola appears. Over frosty bottles of ice-cold Coke, minds meet and hearts are closer together. It's a happy custom that's spreading 'round the globe. Coca-Cola stands for *the pause that refreshes*—has become an everyday high-sign of friendliness among people of good will.

It's natural for popular names to acquire friendly abbreviations. That's why you hear Coca-Cola called Coke.

518

Planning Electrical Requirements?

Time will still continue to be an important production factor in any post-war planning, regardless of generally increased manufacturing facilities.

When reconversion comes be sure you have not underestimated this vital factor . . . *Time.*

Take advantage of Westinghouse "know-how". Contact your nearest Engineering and Sales Office.

CANADIAN WESTINGHOUSE COMPANY, LIMITED • HAMILTON, ONTARIO

Westinghouse

Sales Engineering Offices: Vancouver, Trail, Calgary, Edmonton, Regina, Saskatoon, Winnipeg, Fort William, Toronto, Swastika, London, Montreal, Ottawa, Quebec, Halifax.

Service and Repair Shops: Vancouver, Calgary, Regina, Winnipeg, Toronto, Swastika, Montreal.

785

The Independent Order of Foresters

A strong progressive fraternal society which since 1874 has served the homes of the land.

Modern Insurance Certificates and Fraternal Benefits.

ASSETS OVER $45,000,000

VICTOR MORIN, LL.D., Supreme Chief Ranger

Head Office: - - Toronto, Canada

Cassidy's, Ltd., has advised the Montreal Curb Market that the company has disposed of its investment in Elkington & Co., Ltd., its wholly owned English subsidiary, to United Kingdom interests. The principal part of the consideration received was a substantial cash payment, which is to be used to pay off bank and other loans and to strengthen working capital position of the company.

IT'S EFFICIENCY THAT COUNTS

Engineering knowledge as applied to Fire Prevention.

Insurance knowledge in drawing policy contracts to insure maximum protection.

Ability to negotiate lowest premium costs.

That is Our Service At No Extra Cost

IRISH & MAULSON

Limited

Insurance Brokers, Fire and Accident Prevention Engineers since 1904

TORONTO MONTREAL

Bank Loans Increase Public Deposits Drop

Changes in Chartered Bank Accounts Attributed to 7th Victory Loan Campaign — Rise in Government Deposits Reflects Transfer of Funds

Reflecting investment of depositors' funds in the 7th Victory loan public deposits in the chartered banks at the end of November were about $477 millions lower than at the end of October, although still $655 millions above the level of the year before.

The return of the chartered banks to the Minister of Finance as at Nov. 30 shows savings deposits at $2.3 billions, down $145 millions, with demand deposits at $1.8 billions, down $331 millions. While the bond-selling campaign began the last week of October the bulk of the payments were made in November and accordingly affected November bank accounts. The drop in total public deposits was larger than the $436 millions shown in the previous loan, but less than the $542 millions decline in the 4th Victory Loan in May, 1943.

While public deposits fell, Dominion Government deposits rose $766 millions, indicating the movement of funds from private hands into the government accounts. Provincial Government deposits were lower for the month but higher for the year.

A rise of $277 millions in current loans was due mainly to borrowing by investors to buy bonds. Bank loans normally tend to decline in November, when many grain accounts are liquidated and business concerns reduce their borrowing to make a more liquid showing in their year-end reports. The borrowing to buy bonds last November, however, more than offset the other factors.

Call loans in Canada continued higher, due to active stock markets.

Bank investments declined about $46 millions although still $538 millions above the same date in the previous year. The decline for the month was due to a drop of $190 millions in short term Canadian Government securities, and of $9 millions in foreign public securities, holdings of long term Canadian securities being higher.

About $11 millions less cash was held by the banks than at the end of the previous month, but $90 millions more than the year before.

Important items in the statement with comparisons follow:

Use of Bank Credit
(In Millions of Dollars)

	November 1944	October 1944	Change	November 1943	Change
Loans	1,356.0	1,048.2	+307.8	1,302.4	+53.6
Investments	3,576.5	3,622.4	—45.9	2,938.4	+538.1
Total	4,932.5	4,670.6	+261.9	4,240.8	+691.7
Deposits	4,156.5	4,633.4	—476.9	3,501.7	+654.8
Credit index*	31.5%	21.8%	+9.7%	35.5%	—4.0%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

	November 1944	October 1944	Change	November 1943	Change
ASSETS					
Immediately Available Liquid Assets					
Canadian coin	8,842,326	8,721,823	+120,503	7,774,708	+1,067,618
Bk. of Can. notes	139,402,552	133,945,411	+5,457,141	127,160,808	+12,241,744
Bk. of Can. depos.	437,223,595	454,336,842	—17,113,247	360,609,183	+76,614,412
Bank's cash	585,468,473	597,008,076	—11,539,603	495,544,699	+89,923,774
Gold sub. coin abd.	2,656,201	2,641,300	+14,901	2,631,717	+24,484
Foreign banks	232,235,682	212,561,582	—19,674,100	225,306,220	+6,929,462
Foreign currency	110,242,838	119,725,261	—9,472,423	83,427,784	+16,815,054
Call loans abroad	91,152,876	112,228,056	—21,075,190	90,973,901	+178,975
Government Securities					
Dom. sh. term	1,672,062,982	1,862,974,385	—190,911,393	1,671,180,416	+158,402,372
Prov. sh. term	157,519,806	157,178,743	+341,603		
Dom. Long	1,256,153,318	1,096,409,295	+159,744,018	965,034,847	+426,467,292
Prov. Long	135,348,826	135,925,067	—576,241		
	3,221,084,927	4,296,651,765	—1,075,566,838	3,535,086,332	—314,001,405
Loans and Other Securities Other Than Those of Canadian Government					
Municipal secs.	76,812,018	85,070,073	—8,258,055	61,309,145	—15,502,873
Public secs.‡	196,021,245	205,649,643	—9,628,395	169,410,713	+26,610,532
Other secs.	82,579,801	79,195,622	+3,384,179	71,431,067	+11,148,734
Can. call loans	80,742,210	56,260,822	+24,481,388	43,451,885	+37,290,325
Current loans	1,231,088,038	953,691,074	+277,396,964	1,201,230,243	+29,857,795
Loans abroad	126,959,453	116,528,689	+10,430,764	99,156,786	+27,802,667
Prov. loans	7,663,938	4,969,354	+2,694,594	7,536,202	+127,736
Mun. loans	36,492,844	33,238,010	+3,254,834	50,157,623	—13,654,779
	1,838,359,547	1,534,603,287	+304,756,260	1,703,683,664	+134,675,883
Other Assets					
Noncurrent loans	1,534,563	1,553,544	—18,981	2,369,682	—835,118
Real estate	3,017,542	3,176,349	—159,807	4,673,774	—1,656,232
Mortgages	2,304,374	2,373,803	—69,429	2,888,778	—584,404
Premises	62,511,190	63,022,153	—510,963	64,818,591	—2,307,401
Letters of credit	124,064,545	124,359,783	—295,238	115,090,299	—8,964,246
Letters of credit	124,064,545	124,359,783	—295,233	110,000,289	+8,934,246
Other assets	4,172,365	3,955,197	+217,168	2,590,567	+1,581,798
	208,270,346	208,736.025	—465,679	203,031,033	+5,239,313
Total	6,289,470,890	6,039,991,077	+2,49,479,813	5,441,801,029	+847,569,861
Note circ. dep.	2,263,340	2,263,340	......	3,348,799	—1,085,459
Int. bank bal.	235,819,629	218,753,566	+17,066,063	193,763,507	+42,056,122
Gross	6,527,553,859	6,261,004,102	+266,549,757	5,638,913,335	+888,620,524
LIABILITIES					
To the Public					
Circulation	34,235,397	34,996,079	—760,682	44,408,001	—10,172,604
Dom. Govt.	969,600,406	203,259,350	+766,341,056	866,810,561	+102,789,845
Prov. Govt.	94,510,484	120,085,440	—25,574,956	85,628,521	—8,881,963
Deposits by Public					
Demand dep.	1,813,336,280	2,144,454,936	—331,118,656	1,619,191,655	+194,144,625
Savings dep.	2,343,141,318	2,488,931,345	—145,790,027	1,882,539,587	+460,601,731
Total	4,156,477,598	4,633,386,281	—476,908,683	3,501,731,242	+654,746,356
Dep. elsewhere	677,671,344	673,852,143	+3,819,201	......	......
For. curr. in Can.	58,168,172	55,394,867	+2,773,305	......	......
Total	735,839,516	729,247,010	+6,592,506	......	......
Due to Banks Abroad					
United Kingdom	32,868,373	32,801,257	+67,116	31,462,930	+1,405,443
Foreign	55,048,712	55,696,226	—647,514	51,481,353	+3,567,359
Letters of credit	124,064,545	124,359,783	—295,238	115,090,299	+8,974,246
Other liabs.	6,297,920	6,777,942	—460,022	5,568,840	+729,080
Total pub. liabs.	6,108,942,949	5,940,609,268	+168,233,681	5,325,177,440	+783,765,509
Due other banks	17,587,083	20,697,766	—3,110,683	14,230,328	+4,356,755
Liability to Shareholders					
Dividends	1,500,066	2,263,830	—762,764	1,797,286	297,220
Reserve	136,750,000	136,750,000	......	136,750,000	......
Capital	145,500,000	145,500,000	......	145,500,000	......
Gross	6,510,280,146	6,245,821,014	+264,459,132	5,623,655,054	+887,635,092

‡Other than Canadian.

BANK OF CANADA

Seasonal Drop In Note Issue

Following a seasonal trend, note circulation of the Bank of Canada shows a decline of $6 millions in the statement for the week ended Jan. 10, total note issue outstanding at that date being $1,030 millions. Total deposits of the bank were up substantially, due to increases in Dominion Government and miscellaneous accounts.

On the credit side, investments were up over $30 millions, with miscellaneous assets lower, leaving a net increase of $11 millions in total assets.

	Jan. 10 1945 $	Jan. 3 1945 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	1,030,521,574	1,036,763,031
Rest fund	8,041,601	8,041,601
Deposits: Dom.	36,384,779	17,244,422
Chartered bks.	408,483,114	411,448,440
Other	31,538,698	27,484,540
Total deposits	476,406,591	456,177,402
Liabs. payable in sterling, U.S.A. and For. Gold currencies	172,257,273	172,257,273
All other liabs.	23,703,409	26,578,963
Total liabs.	1,715,930,448	1,704,818,270
Assets		
Sterl. & U. S. ex.	172,257,273	172,257,273
Subsid. coin	232,274	270,267
Investments:		
Dom. gov. sh.	942,272,513	908,634,958
Oth. Dom. gov.	573,183,729	576,107,067
Other secs.	10,000,000	10,000,000
Total invest.	1,525,456,242	1,494,741,925
Premises	1,818,109	1,817,950
All other assets	16,166,550	35,730,855
Total assets	1,715,930,448	1,704,818,270

Staff Changes

The Bank of Montreal announces the following staff changes:

A. B. ROBERTSON, Nelson, B.C., to be manager Osoyoos, B.C.

J. C. BROWN, Toronto branch, to be assistant manager Toronto branch

F. W. QUANE, Toronto branch, to be assistant manager King and Yonge branch, Toronto.

United States Fidelity & Guaranty Company
TORONTO

"Consult your Agent or Broker as you would your Doctor or Lawyer."

FIDELITY Insurance Company of Canada
TORONTO

The Western Assurance Company

NOTICE is hereby given that The Western Assurance Company has received Certificate of Registry authorizing it to transact in Canada the business of Forgery Insurance, in addition to the classes for which it is already registered.

Dated at Toronto, this 27th day of December, 1944.

C. R. MORROW,
Secretary.

MORDEN, HELWIG & FERRIE LIMITED

Insurance Adjusters

Automobile, Casualty, Fire and Allied Lines, Inland Marine

HAMILTON, LONDON, WINDSOR, KITCHENER, ST. CATHARINES, SARNIA, CHATHAM, OWEN SOUND

He wants a new car. She dreams of real Nylon stockings.

Hundreds of thousands of other Canadians want new radios, new refrigerators, new washing machines, new toasters ... countless other things they have done without, but intend to buy, when the war is over.

That means busy factories, working to meet the pent up demand of people with money to spend on every conceivable kind of article from homes to meat grinders.

It means JOBS.

Of course there will be post-war "problems". But there will be opportunities too, plenty of them—and scope for individual brains and initiative. Canada will be a busy place when Victory is won.

What is PRIVATE ENTERPRISE?
It is the natural desire to make your own way, as far as your ability will take you; an instinct that has brought to this continent the highest standard of life enjoyed by any people on earth. It is the spirit of democracy on the march ...

THE ROYAL BANK OF CANADA

SELF PRIMING PORTABLE ELECTRIC SALVAGE PUMP
70 TON PER HOUR CAPACITY

... another Weapon of Defence *built by Waterloo!*

● No easy prey of the U-Boats are the ships of Canada's navy which are equipped with these portable salvage pumps.

Designed by Worthington-Simpson of Newark-on-Trent, England, and built for John Inglis Co. Limited by The Waterloo Manufacturing Co. Limited, these pumps have enabled many a torpedoed vessel to make port under her own power.

Essential war material like this which demands a high degree of accuracy in casting, machining and assembling has priority on the sound engineering, expert workmanship and progressive methods of The Waterloo Manufacturing Co. Limited. As a consequence, all Waterloo's foundry, machine shop, structural steel, sheet metal, wood-working and assembly facilities, and the hundreds of highly-trained employees who man them, are busy today on war work to the exclusion of everything else.

But when Victory is won, Waterloo's diversified skills will be ready, willing and able to help you build the new equipment that the Paper, Mining, Mill, Automotive, Marine, Chemical and Agricultural Industries of Canada will need.

Note to Executives Busy with Post-War Plans

Call on Waterloo's 94 years' experience in metal-working, wood-working or assembling if that's what you can use in your post-war operations. We'll be glad of the opportunity of working with you.

THE WATERLOO MANUFACTURING COMPANY LIMITED
WATERLOO, ONTARIO

CLA

1871 1944

Confederation Life

Reports to Its Policyowners For the Year 1944

Invested in Victory Bonds during 1944	$24,311,900
Total invested in War bonds of Allied Nations	82,317,411
Paid to living policyowners	9,325,216
Paid to beneficiaries of deceased policyowners	4,123,816
Increase in Business in force	44,414,342
Total Business in force	571,513,804
Surplus now stands at	12,969,012

The results for the year have been most satisfactory and the Association is in a much stronger position than at the beginning of the war.

Greater Business in Force — Increased Premium Income
More Favorable Mortality — Lower Cost of Operation
Fewer Terminations — Improved Surplus Position

Every policyowner is invited to attend the annual meeting of the Association which will be held at Head Office, 105 Victoria Street, Toronto, on Tuesday, January 23, at 11 a.m.

A copy of the full Annual Report will be gladly mailed upon request.

STRENGTH • SERVICE • SECURITY

Since 1871

Confederation Life Association

HEAD OFFICE TORONTO

Confederation Life Makes Appointments

D. L. McDougall, formerly superintendent of agencies of the Central Canada division of the Confederation Life Association, has been appointed general superintendent of agencies in charge of the association's entire agency work. Other appointments announced by the association are:

A. E. WALL, formerly inspector of field service, to be superintendent of agencies for Central Canada division.

DR. E. M. HENDERSON, formerly medical director part-time basis, to be medical director, full-time basis.

DR. F. W. ROLPH, formerly associate medical director part-time basis, to be associate medical director, full-time basis.

W. J. FARMERY, for many years on the bond and stock investment section staff, to be superintendent bond and stock investment department.

A. J. TRUSLER for many years on the mortgage investments department staff and latterly in the buildings department, to be superintendent of this department.

The Wawanesa Mutual Insurance Company

—ORGANIZED IN 1896—

Admitted Assets	$4,382,093.84
Surplus	2,431,602.73
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WASHINGTON LETTER

Congress Ponders Foreign Affairs, Awaits Next Big Three Conference

By LAWRENCE SULLIVAN

WASHINGTON—The Senate debates on foreign policy have cleared the air on Capitol Hill, but little may be expected in the form of concrete developments until President Roosevelt submits his report to the nation on his conference with Churchill and Stalin.

The Senate is prepared, as Senator Vandenberg said, to endorse a firm policy looking to the demilitarization of both Japan and Germany. But this pledge was linked with the assumption that postwar territorial settlements made on the basis of bilateral agreements would be subject to review once the full machinery of the Dumbarton Oaks manifesto is set in motion.

Acceptance of this proviso by the other powers in the Dumbarton Oaks conversations presumably is a matter for the conference of the Big Three, for the Dumbarton Oaks plan itself expressly precluded any postwar review of territorial arrangements concluded during the progress of the war.

Senator Vandenberg's historic speech has been received cordially by American opinion. The growing determination of the nation to nail down a lasting peace after World War II is everywhere apparent. The net of Senstor Vandenberg's observations was his demand that the mechanics for this accomplishment should be delineated for the entire country in terms which may be appraised for their practical significance.

The White House conference with members of the Senate Foreign Relations Committee on the day following Mr. Vandenberg's speech may be presumed to have explored President Roosevelt's plans in detail. The plea that Senate debate be adjourned until the President returns from the Big Three conference appears to justify the hope that as soon as Churchill and Stalin have endorsed the program it will be set forth in complete detail for public consideration and debate.

Meanwhile, Congress will continue to mark time on all matters touching foreign relations. On the home front, only those matters related directly to the prosecution of the war will receive attention. The manpower crisis already is under formal hearings in the House Military Committee, and the Appropriations committees are at work on the budget bills to provide operating funds for the several departments in the new fiscal year beginning June 30.

Beyond these measures, Congress will do nothing until it has a clearer picture of the international situation. No urgent wartime authorities expire until June 30, 1945, when the Price Stabilization Act expires automatically by Congressional limitation. It will be renewed for another year, until June 30, 1946. All other legislative proposals touching home-front or post-war programs are in abeyance until the end of the war in Europe is definitely in sight.

• • •

Armed Forces, War Industry Need 1.5 Million Men by July

The manpower hearings disclose that the military services require 900,000 additional men over the first half of 1945; and that about 600,000 more will be needed for essential industrial jobs in the same period—after allowing for present essential workers soon to be drafted for military duty under the revised Selective Service procedures touching occupational deferments.

After allowing for about 450,000 18-year-olds coming into the newly registered group, the net need in new manpower is about one million, or roughly 170,000 per month through June. Obviously these men are to be recruited for the expanding war production programs only through curtailment of some less essential civilian activities.

Congress appears to have reached an informal agreement that this may best be accomplished by amending the Selective Service Act to give the War Manpower Commission full legislative authority to require transfers from less essential to direct war work. This transfer is now attempted by War Manpower only on the basis of persuasion and voluntary compliance.

The amendment now proposed would impose civil fines and penalties for failure to comply with a War Manpower directive, just as they now apply against failure to comply with military draft directives from Selective Service.

In a measure this is the compulsory labor assignment program which organized labor has resisted so vigorously since Pearl Harbor. In a sense, however, it is not compulsory, for it is voluntary in the first instance; and compulsory only for those who refuse to comply with the job-assignment suggestions of their local manpower commissioners.

Congress is agreed there will be no National Service Act covering all employment. Manpower requirements of 170,000 a month to fill out the war program do not justify labor conscription, say the CIO and AFL.

• • •

Labor Fights Against Tighter Manpower Control

A proposal to subject all strikers in war plants to instantaneous military draft has been presented in the House Military Committee, as an amendment to the Administration's compromise manpower legislation. This proposal, however, has failed to command Administration support and probably can't be passed without the President's public endorsement.

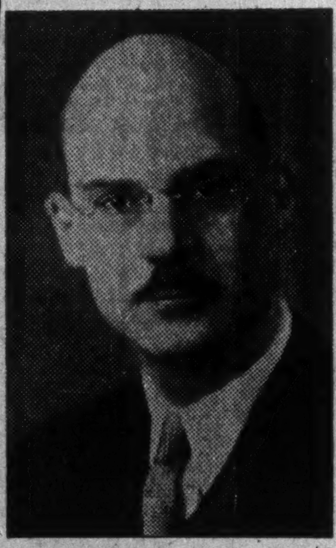
Labor is also opposed to any lengthening of the basic work week, nor will it hear suggestions that wage penalties be permitted in all war plants for excessive absenteeism. Lt. General William S. Knudsen, Production Chief on the War Department's General Staff, has reported absenteeism in war plants running 9 to 12% per week, against a peacetime normal of about 3%. In part this excessive absenteeism is due to the fact that high wartime earnings have removed much of the normal incentive to a full work week.

Overtime bonuses also have the effect of driving women out of essential war work. Surveys indicate that many women go to work for a specific purpose — an educational fund, a fur coat, a piano, a new rug. The higher the wages, the sooner the desired nest-egg is in hand. Unless a real need for her services then is demonstrated on the basis of patriotism, the woman gives up her employment. The labor turnover from week to week in plants hiring women is often ten times the normal rate.

One large war factory in Chicago, as reported by the War Production Board, hires a full complement of operatives (mostly women) 16 times a year!

These smaller problems in thousands of plants make the manpower muddle as it now stands before Congress.

Organized labor is determined to hold its wartime gains, and in this program has the tacit support of the Administration.



VICE-PRESIDENT

E. C. Wood, elected a vice-president of Imperial Tobacco Co. of Canada. He became a director in 1937; assistant to the president in 1942.

Supply of Rayon Staple Is Increased Sharply

From Our Own Correspondent

MONTREAL — Arrangements already made or under way indicate that there will be a substantial demand for cellulose acetate staple and acetate filament to be produced at the new Canadian Celanese, Ltd., plant addition, as soon as this new production is available to the Canadian spinning trade.

Zephyr Looms & Textiles, Ltd., has announced that it is planning to erect and equip a new spinning plant to use Celanese's acetate staple as well as materials from Courtaulds (Canada) Ltd., and wool tops from Wool Combing Corp. of Canada. Other firms, including old established and new plants, are certain to be in the market for the new product.

In addition, Canadian Celanese is planning to use some of the additional fibre and rayon to be produced, in its own plant. Canadian Celanese will spin staple fibre yarns from its own raw material, and also some of the filament yarn production from the new plant will be used in company's weaving department.

Double Past Supply

In addition to the Canadian Celanese production plan, Courtaulds (Canada), Ltd., has been adding to plant facilities, and Celanese's output will be complementary to Courtauld's production of between 8 and 10 million pounds of viscose staple. Expansion by these two companies indicates that between 10 and 12 million pounds of staple will be available as against average annual consumption during the war years of six million pounds.

Canadian Industries, Ltd., has been conducting research into possibility of similar plant facilities—under an arrangement with E. I. Du Pont de Nemours & Co. In view of new plant expansion in this direction already developed, however, it may be that Canadian Industries will decide not to go ahead with similar plans right away.

Independent of Imports

In any event, new production facilities for making staple suggests that Canadian mills will be free of necessity of importing such materials, as was the general practice in pre-war years. It is possible, if not probable, that some special types of staple will continue to be brought in from foreign sources. This would suggest considerable increase in supply over pre-war years.

Just when the new plant extension of Canadian Celanese will be in production cannot be predicted definitely at this time. A problem has been in getting necessary materials and equipment during wartime restrictions and priorities. With new developments in course of the war, uncertainty on delivery times on equipment ordered has been increased, though it has been hoped to have production under way by the middle of next year.

Wage Increases Reduce Net Earnings of CNR

From Our Own Correspondent

MONTREAL—Canadian National Rys. reports November operating revenues $22,000 lower than in like 1943 month, and with operating expenses up $1,629,000 due to retroactive wage increases, net operating revenue for the month declined $1,651,000, to $5,575,000, lowest level for any November since 1940.

For the first 11 months of 1944, operating revenues were up $1,088,000 over corresponding period last year, at $402,623,000, and net operating revenues were down $16,625,000, at $71,958,000, reflecting increase of $17,713,000 in expenses.

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It is amazing that some business men who would never think of placing a man in charge of any Department of their business (unless he was fully qualified) time and time again place the management of their Real Estate, worth thousands of dollars, in inexperienced hands. Sometimes even their Office Manager or their stenographer is told to attend to it.

Management of Real Estate is not a part-time job. It demands long experience, careful thought, foresight and a departmentalized office where applicants for space (either to live in or to do business in) can come or refer to when in need of accommodation.

That is the type of property management organization that we maintain.

Space is never sold or rented by us too cheaply, nor are tenants lost by asking too much; a misfortune for the owner which often occurs when property management is inexperienced.

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For more than thirty years we have been Making Properties Pay their owners. We do not just collect rents, but we rehabilitate and present properties to buyers or prospective tenants in a way that will attract them. Much Real Estate that is offered for rent or sale often repels prospects if it is not first rehabilitated.

Our volume of business (the purchase of coal and other supplies, etc.,) enables us to put in proper condition and manage properties at a considerable saving compared to that of private individuals. Tenants, too, realize that demands made to private owners, that often get by, will stand no chance under intelligent management. Real Estate, like any other investment, earns more when managed by experienced people.

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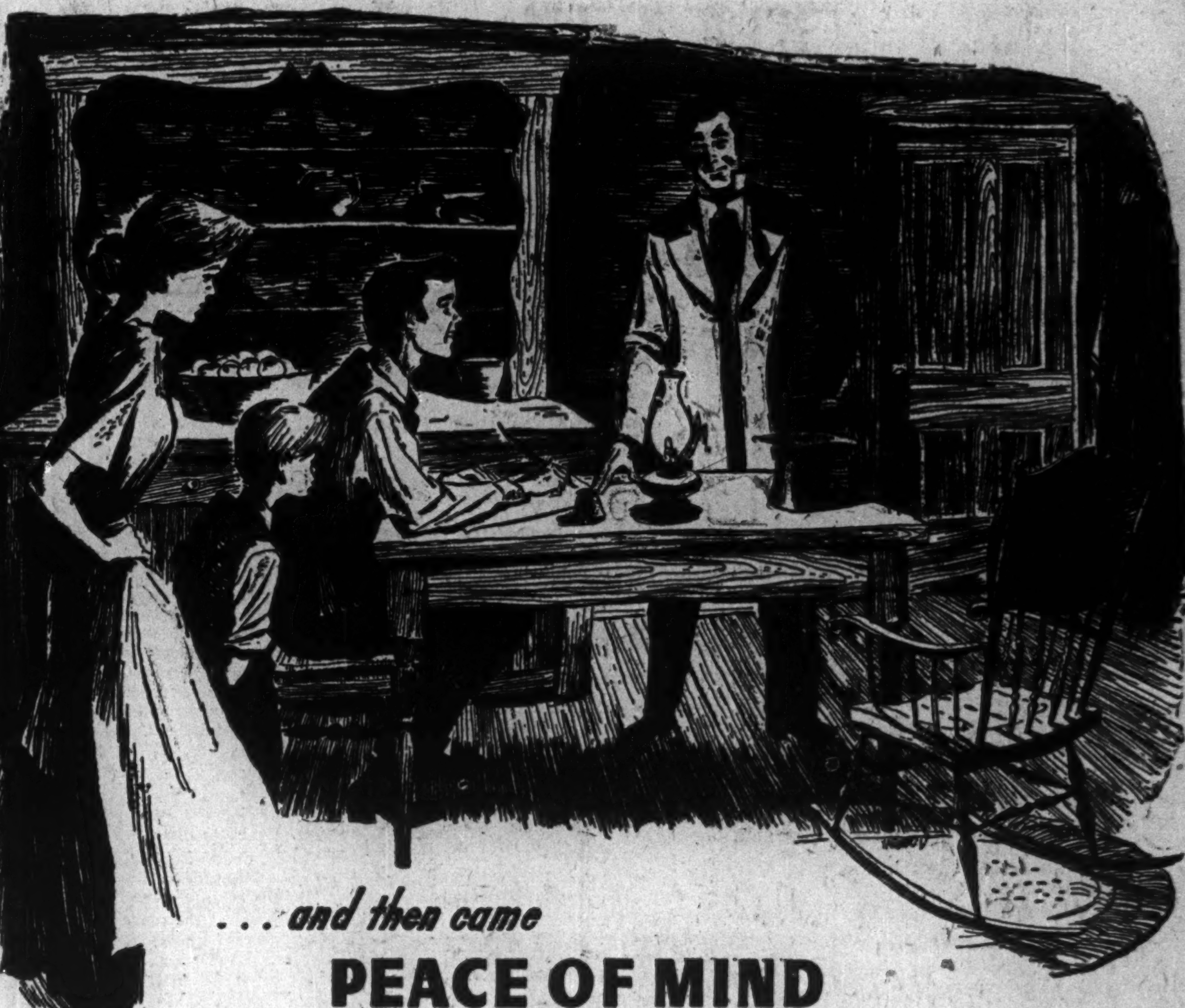

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Can We Balance Up With Britain?

Ottawa's Hopes for Freer World Trade Collide Head-On With Britain's Need for Nation-to-Nation Balancing—Why We're Fighting Bilateralism

When Ottawa was rubbing its hands over an all-time record Canadian export total of $5¼ billions last December, Lord Keynes appeared in the capital at the head of an unobtrusive little mission that quietly laid a time-bomb under the foundations of Canada's foreign and domestic trade. A week or so later, Britain's Agriculture Minister, R. S. Hudson, dropped in to tamp down the charge.

Today, Ottawa economists are gloomily surveying the costs and the alternatives to Britain's suggestion of bilateral or barter trade.

It's recognized in Ottawa that the British suggestion so far is only intended to apply to Phase II of the war, the period following the defeat of Germany but before the defeat of Japan. It's admitted that Lord Keynes and the British Cabinet are probably a lot less keen about the idea than is Mr. Hudson, who is a convinced agricultural protectionist. Above all, it's agreed that Britain is not trying to hold us up, is genuinely "broke" and cannot be expected to go farther into debt just for the privilege of buying Canadian goods.

But none of these provisos can make bilateral trade attractive to Canada.

What's Wrong With Bilateralism?

If Canada accepts the British plan, Canada's problems of finding an outside market for her fish, lumber, aluminum, wheat and bacon would be solved. But it would be at the expense of guaranteeing to buy an equivalent value of British products. And much of the British merchandise could be sold only if the Canadian market were tightly closed to competing products from U. S. and Canadian factories.

Bilateralism, according to definition, means an agreement between two countries usually guaranteeing to make purchases of specified commodities and specified values from each other. All sorts of variations are possible, but the goods-for-goods barter between two countries is basic.

But bilateralism in practice has vastly different meanings for the economic life of different countries. Take a hypothetical barter of Canadian bacon for British automobiles, for example.

Canadian bacon would slide into the British economy with scarcely a ripple. It would move through the same trade channels as did Danish bacon pre-war, would be sold in the same stores and in identical quantities. From a trade point of view, the only casualty might be a preference on the part of British consumers for other than Canadian bacon, and even this could be largely overcome by control of grades in Canada.

A Deal That Would Hurt

On the other hand, if a bilateral deal involved a guaranteed Canadian market for British automobiles (or any other highly manufactured article of that sort), Canadian industry and trade would face a most drastic alteration. Canadian factories making automobiles might have to close down or shift to making parts and doing assembly work on British types of cars—if that were possible in view of the present affiliations of the Canadian plants with the United States industry. Dealers would have to liquidate their present stocks of parts and accessories while building up new inventories for the British cars. Service stations and garages would have to replace or readjust many of their tools and equipment.

Consumers, forced to buy British cars (despite a very evident preference for the American type in the past), would still be exposed to advertisements of the U. S. cars they could no longer buy, on the air and in U. S. periodicals, a constant source of irritation unless British automobiles should become more popular in Canada on their own account. Presumably, U. S. auto firms would no longer bother to advertise in Canada, and whether their advertising would be replaced by British firms would depend on the nature of the bilateral agreement. If the British firms had a **guaranteed** market in Canada, they might feel that advertising was superfluous.

Admit that this is an extreme example, that Canada would hardly select the deeply rooted automobile industry for sacrifice, the above illustration still demonstrates the difficulties for Canada in any form of bilateral agreement with Britain. Only if Canada guaranteed to buy **extra** quantities of some British product, or to buy a product of a short-lived, quickly consumable character that is not produced in Canada, could the bilateral agreement be handled with ease. Under those circumstances, the British products could be absorbed as readily here as our bacon or aluminum would be absorbed in Britain.

Two Obstacles to Barter

A smooth and easy barter deal is going to be hard to find.

A glance at the adjoining table

Canada's 1937 Trade With Britain

(In Millions of Dollars)

Chief Imports:		Chief Exports:	
Steel sheets, plates, etc.	15.3	Wheat	95.8
Woollen goods	14.6	Copper	35.7
Cotton goods	12.5	Bacon	32.5
Wool, yarns, etc.	11.8	Timber	27.3
Other iron & steel prod.	10.7	Nickel	24.6
Chemicals	7.8	Lead & zinc	19.3
Coal	6.0	Iron & steel prod.	14.9
Whisky, etc.	5.9	Flour	13.5
Flax, linens, etc.	4.9	Pulp & paper	13.2
Machinery	3.8	Cheese	11.8
Chinaware	3.2	Furs	10.7
Artificial silks	2.4	Aluminum	8.9
Books, etc	2.3	Fruit (incl. apples)	8.6
All Imports from U.K.	147.3	All Exports to U. K.	402.0

which highlights the chief items in a typical pre-war trade year (1937) shows pretty clearly the way things stand and what the probable score would be.

Either we'd have to slash our sales of farm, mineral and manufactured products considerably more than in half, or else we'd have to be prepared to accept more British coal, textiles, iron and steel products, whisky and custom or luxury goods. That is, if Britain required us, in future, to settle our accounts on a strictly "bilateral" basis.

Some of our purchases could be increased if Canada were highly prosperous. We could take more British china, whisky, tweeds, leather goods, etc., if national income were on the up-and-up. But we'd have to take a terrific amount to make up anything like $100 millions—or even $50 millions. Just look at the actual figures of imports in a typical and reasonably prosperous pre-war year like 1937.

Other items present tremendous difficulties.

These centre chiefly round two facts: (a) that British prices are currently 33% to 75% higher than ours; (b) that the Canadian economy has been vastly developed and expanded as a result of the war.

On the former count, British coal, for which Canadians have a decided preference, now has to be subsidized to the tune of about $6 a ton to enable it to sell at even "reasonable" Canadian prices. That means a probably big bill for Canadian taxpayers to foot after the war to maintain and increase this old-established connection.

The second point about the development of the Canadian economy may be well illustrated in the case of steel.

It will be noticed from the table that steel sheets and plates were one of Canada's biggest import items before the war. Yet experts know that Canada is now almost self-supporting in most of the big items which she used to buy from Britain before the war. The same can be said for many chemicals, some machinery and other iron and steel products. What is more, it is quite possible that our plants may prove highly competitive with the British. Some will, at any rate.

The picture is brightened somewhat by Britain's apparent intention to become again the centre of a "sterling bloc," similar to the pre-war bloc that included most of the colonies and dominions (but not Canada), Belgium, Holland and the Scandinavian countries, all of whom centred their foreign trade on London and sterling to varying degrees.

In this bloc, India and Egypt alone are creditors of Britain to the tune of $12 billions, and it's feared in Ottawa that Britain has already decided to confine the bulk of her trade to the sterling bloc, enlarged by as many other European countries as possible. It's feared that the only way to trade with this bloc will be through bilateral agreements. A trade agreement with a group of nations would presumably provide more flexible and more advantageous trade possibilities than an agreement with an individual nation, but it would obviously be a poor substitute for the old formula of buying what you want where you want.

But before getting too gloomy over the type of deal we might sign with Britain, remember that Canada would certainly not enter into an agreement so obviously disadvantageous as the hypothetical automobile deal, that little more than preliminary gestures toward bilateralism have so far been made, and that the picture may change drastically when world trade formulae have been drawn up and the United States has thrown its weight into the discussion. It is also possible that higher levels of consumption in postwar Canada and Britain would virtually solve the problem of insufficient Canadian imports, particularly since British industry can be relied on to make extreme efforts to satisfy the foreign buyer. Under such circumstances, a bilateral agreement might prove unnecessary, or might be of so small a scope as to cause only minor changes in Canadian business.

The Issue Must Be Faced

One more thing to remember: Canada's choice is not between bilateralism and the old buy-where-we-please-sell-where-we-please "free market." If Canada stood aloof hoping for multilateral trade while other nations faced what may be inevitable, she might wake up to find herself excluded from the agreements of her prospective customers, even in markets where her goods enjoyed an obvious competitive advantage. And it might, on the other hand, be possible to build up, painstakingly, a system of near-barter deals with various countries which would, when all was arranged, correspond pretty closely to the buying-and-selling pattern we'd follow if trade were free and the currency question solved.

Finally, if a guaranteed bilateral market can help us to cut down to shocks to our economy that used to result from slumps in the world wheat market, we might be well repaid in the long run for a little high-cost buying.

But it's important to bear in mind that the United States still has to be heard from. It may well be that the bilateral trade blueprint that Lord Keynes has unrolled at Washington as well as Ottawa will be as quickly rolled up again if Washington backs up the Bretton Woods agreement with a plan for world trade that will provide Britain and her satellites with satisfactory trading opportunities.

If not, Canada may have to face some very painful adjustments.

It's going to be hard to sell the consumer on bilateralism.

25,000 Telegrams Sent All Over Canada To Back Huge Sales Blitz on Vermilata

With over 2.5 million shares—or 75% of its issued capital—changing hands the first 10 trading days of 1945, Vermilata Oils has seen spectacular activity on the Toronto Stock Exchange so far this year.

Explanations which have received wide publicity, although unofficial, have included the following:

"Big U. S. oil-minded interests have been accumulating shares."

"Sensational oil news is expected to break momentarily."

"Vermilion Consolidated No. 15 well may reveal great new Vermilion depth possibilities aiding Vermilata."

Enquiry by The Financial Post, however, reveals that things are by no means so rosy for Vermilata Oils as might be inferred; that instead of an accumulation of shares of Vermilata it appears much more likely that unloading is taking place, and that a tippin_ spree possibly unparalleled in the annals of Canadian promotion is now under way in this furious sales campaign.

Over 25,000 Telegrams

Backbone of the current furious drive to sell stock has been a barrage of telegrams from a Toronto nonmember brokerage firm which could not hope to profit from brokerage commissions on Vermilata sales on the Toronto Stock Exchange (a nonmember Toronto firm cannot share a TSE commission).

Two telegram "blasts" sent out are as follows:

Telegram "A":

"VERMILATA CLOSED 22 TODAY LOOKS MUCH HIGHER STOP BUY THROUGH ANY BROKER STOP DO NOT HAGGLE OVER PRICE STOP BUY AT MARKET."

Telegram "B":

"THIS IS OUR FIRST TORONTO STOCK EXCHANGE RECOMMENDATION FOR NINETEEN FORTY FIVE STOP VERMILATA OILS SELLING TWENTY THREE CENTS THE OUTSTANDING LOW PRICED OPPORTUNITY ANY MARKET STOP MOST VOLUMINOUS TRADER TEN CONSECUTIVE DAYS STOP POWERFUL UNITED STATES INTERESTS ACCUMULATING ON SENSATIONAL OIL NEWS EXPECTED MOMENTARILY STOP BUY VERMILATA AT MARKET IMMEDIATELY."

Over 25,000 telegrams were sent out. Some people received two or more wires.

The operator of an investment "advisory service" has been busy with telegrams too. Here is one of his efforts:

"THIS RECOMMENDATION POSSIBLY BEST WE HAVE EVER MADE STOP DISREGARD ALL FORMER RECOMMENDATIONS WHICH HAVE BEEN UNPROFITABLE STOP BUY VERMILATA OILS LISTED TORONTO EXCHANGE AT MARKET STOP SHOULD ADVANCE TEN CENTS TOMORROW BUT DON'T SELL UNDER FORTY STOP PROFITS SHOULD MAKE UP ANY LOSSES AND MORE STOP ANTICIPATE RENEWAL OF SUBSCRIPTION IF PROFITABLE."

Records show, of course, that there was nothing like a 10-cent advance in the stock in any one day.

Since the "sensational oil news" was apparently expected from Vermilion Consolidated No. 15 well, The Financial Post wired the Alberta Government's Petroleum and Natural Gas Conservation Board—received the following telegram on Jan. 13:

"ACCORDING TO THIS BOARD'S RECORDS THERE HAS BEEN NO OIL OR GAS PRODUCED FROM TESTS AT VERMILION CONSOLIDATED OILS NO. 15 WELL STOP DRILLING WAS SUSPENDED ON OCTOBER 18 AND NO FURTHER WORK HAS BEEN DONE SINCE THAT DATE."

How this situation might be constructed as "sensational oil news" is not clear.

A Vermilata official informs The Financial Post that no well drilling operations are being carried on at present.

Aliased Individual In Picture?

Identity of the "big U. S. oil interests" has not been revealed but The Financial Post is informed by two sources that a New York share pusher with numerous aliases, accompanied by another American, has been in Canada and is in some undisclosed way concerned with the Vermilata market. It has been established that the first of these individuals who has paid short "visits" to Canada—and has been deported from England—could be reached at an unlisted firm promoting Vermilata shares late last week.

Enquiries reveal that one Toronto Stock Exchange firm has completed a large proportion of the Vermilata "trades" on the Exchange, acting on both buying and selling sides. Record of transactions is as follows:

Date:	High c.	Low c.	Close c.	Volume shares
Jan. 2	16	12	15¾	305,200
Jan. 3	18	16	17¾	381,300
Jan. 4	19½	18	19	221,500
Jan. 5	19½	18	19¼	230,200
Jan. 6	21½	19	20	135,910
Jan. 8	22	19¾	22	164,600
Jan. 9	22½	20½	22	153,600
Jan. 10	23½	21½	23½	228,000
Jan. 11	26	24	25	400,000
Jan. 12	25½	21	23	312,600
Jan. 13	23	21½	23	60,900
Jan. 15	24	22	23	38,250

Since listing May, 14, 1940, Vermilata Oils has on numerous occasions been the subject of periods of marked stock trading activity usually accompanied by rumors or stories of important oil developments in the Vermilion area. The entire issued capital has turned over on numerous occasions. Last August it appeared that the company had an equity of about 50 bbls. of oil daily from various wells in which it was interested —subject to deductions for salaries of field manager and workmen, royalties and administration expense. Product is low grade, mixed with water and sand and is processed before sale as fuel. On July 1, 1944, cash on hand was approximately $2,000, it is stated, with all company's three million shares then authorized issued.

Last October authorized capital was increased to four million shares, 250,000 shares were sold at 8 cents a share and options were granted on 750,000 shares at 8½ to 15 cents a share. Issued capital is reported at 3,308,823 shares at present.

Wells May Not Be Commercial

Experts who have studied the Vermilion oil field possibilities claim that to be commercial wells must average at least 30 bbls. daily. Wells in the Vermilata orbit, however, have apparently been operating about 20 bbls. daily.

The new Vermilion Consolidated No. 15 well in which Vermilata has an undisclosed interest has been drilled six miles south of the Vermilion field to a depth of over 4,000 ft.

A price of 25 cents per share meant a market valuation on the company's assets and prospects of over $750,000. Balance sheet as at Aug. 31, 1943, showed $191,851 total assets. Loss from Nov. 6, 1939 to Aug. 31, 1943, was $23,202. Later figures are not known to have been issued.

Recipient of one of the Vermilata telegrams phoned the outfit currently pushing the stock to learn more about the "sensational oil news". The voice at the other end of the wire said:

"Oh Vermilata was a market operation. We moved the stock up from 11 to 26 and its probably good for 30. But we've got something new now . . . . . We're ready to blast with that . . . . . It will be a very fast operation."

The stock mentioned was offered at 38c with a move to 50 "assured".

But as far as Vermilata was concerned the salesman had lost interest. Apparently the "blast" was to be loosed on the new operation. Vermilata apparently was but a memory.

No Russian Decision on Proposal for Mutual Aid

By STAFF WRITER

OTTAWA—No decision has been given yet by Russia to either Canada or the United States on the special proposition made to the USSR for financing payment for capital goods not used by the end of the war.

For this, and other reasons, signing of the Fourth Protocol affecting Russia, Britain, United States and Canada has been postponed. The Fourth Protocol was to have been signed in Ottawa last November. At the moment the place and time of signature are in abeyance.

Under the plan, all possible shipments would be made to Russia (under Lend-Lease and Mutual Aid) at earliest possible date. However, the Russians are asked to agree that if any of these orders are undelivered at the termination of hostilities, Russia would still take delivery but would agree to pay for the goods on a long-term credit and interest arrangement.

No Russian Reply

This is the proposition to which the Russians have not yet replied. It is this proposition, which, together with changes demanded by the altered pattern of war, have postponed signature of the Fourth Protocol.

It is made clear, however, that the failure to sign the protocol does not mean that there will be any delay in shipments to Russia either under Lend-Lease or Mutual Aid. Similar delays in signature have occurred in earlier years.

Plan Unified Shipping Control

Canada to Have National Shipping Board For Postwar

By KENNETH R. WILSON

OTTAWA—Plans for creation of Canada's first over-all national shipping authority are currently before cabinet for approval, The Financial Post is informed. Discussion at present centres on two matters: the proper time to establish such an authority and the form it should take.

As to form, a widely favored proposal is for a separate authority, responsible to Parliament through the Dept. of Transport, with a panel of directors representing other interested branches of government. Any such body, with responsibility for all matters relating to shipping and to the Canadian merchant marine, would do the long-overdue job of co-ordinating the many agencies and departments now exercising responsibility in this field.

Present Authorities

Chief of the many bodies at present ruling Canadian shipping is the Canadian Shipping Board—Canada's official wartime instrument for inter-allied negotiation. The board is a purely wartime agency, directed by private Canadian shipping people, and is responsible at present to the Minister of Trade and Commerce, though representatives of six other government departments are members.

The Dept. of Munitions & Supply is also interested in shipping, through Park Steamships (Crown company owning and managing Canada's wartime fleet of cargo vessels) and the Director-General of Shipbuilding.

In the Dept. of Transport are a Board of Steamship Inspection, Director of Merchant Seamen, and Director of Marine Services. As well, the Dept. of External Affairs, the Royal Canadian Navy, the Transport Controller, the Dept. of Finance and the Dept of National Revenue, all have an interest in shipping.

New Shipping Problems

Behind the present move toward an integrated shipping authority lies recognition of several postwar shipping problems which probably couldn't be handled by existing organization:

1. protection, after the war, of Canada's half-billion-dollar investment in merchant ships;

2. provision of personnel for Canada's postwar merchant navy; (it seems certain that Canada will decide, as a matter of policy, to maintain a limited merchant marine under government supervision and with government assistance);

3. (possibly) maintenance of some form of Mutual Aid after the war, or of some alternative assistance to the rehabilitation of world shipping.

Canada, Now a Maritime Nation

Something of the scope and importance of Canada's stake in wartime shipping was revealed here for the first time since 1939 in a recent official statement from Hon. James MacKinnon, the Minister responsible for the Canadian Shipping Board described above. In 1939, Canada had only 40 vessels operating in deep-sea trades, with a gross tonnage of about 250,000 tons. On this basis, she ranked at the bottom of world maritime nations.

Since then, Canada has produced (or will have produced within a few months) some 400 ships totalling 2.7 million gross tons or 3.7 deadweight tons. Of these, 20 are tankers; 40 of the rest are 4,700 ton dry cargo carriers; 340 are 10,000 ton carriers, some of which have now been converted into fleet auxiliary vessels.

Tankers Serve Canada

The tankers, of which about a dozen are converted 10,000-tonners and some six or seven smaller coastal type, are all in Canadian service.

Three of the 4,700-tonners have been turned over under Canadian Mutual Aid to the United Kingdom, two to Australia. Some have also been made temporarily available to the Minister of War Transport under other arrangements.

Of the 10,000-ton dry cargo vessels, some were sold to the United States and others have been or are being converted to vessels of a special type for fleet auxiliary work. As to the remainder, about 100 have been, or will soon be, turned over to Great Britain under Mutual Aid, and about 110 retained for war service under Canadian control.

The Canadian-built ships transferred to Great Britain are known as "Fort" ships; that is, they all bear the prefix "Fort", having been named after historical Canadian forts. Similarly, the ships retained under Canadian control are known as "Park" ships, taking their name from well-known national, provincial or municipal parks in Canada. The ownership and management of these "Park" vessels are vested in the Park Steamship Co., a Crown company under the Minister of Munitions and Supply. For individual management-operation, however, the Park Steamship Co., assigns them to various private Canadian shipping companies on a management-fee basis.

Managed Investment

Liquidation Continued By Compton's Manager

The Financial Post assumes no responsibility for the specific buy and sell recommendations reported here. The changes and reasons for them are made entirely on the responsibility of two investment managers who have undertaken management of two hypothetical investment funds, the operations of which are reported for readers of The Financial Post.

The buying and selling of an individual security for one of these funds does not, and should not, be interpreted as indicating the wisdom of any individual taking similar action. What is wise for one individual in certain economic circumstances and with a certain list of securities may be entirely unwise for another individual.

Purpose of this continuing feature is to illustrate by actual example, the principles of sound investing based on experience, knowledge and constant attention.

Herewith The Financial Post publishes another operation of the hypothetical Compton Account.

Compton's manager continues his policy of liquidating a number of stocks and replacing them with victory bonds. His reasons indicate that he is prepared for the market to move in either direction and that he will take advantage of whichever way it moves. His second objective of simplifying the portfolio is also being achieved through his sales.

Enquiries have been received as to the reason why the Compton manager sold Canadian Canners 2nd preferred stock. This manager reiterates that this stock was sold because he felt that it was high enough in the market and might perhaps sell at a lower price at a later date. Its sale was also in line with his general policy of making Compton's account more liquid and more limited as to number of issues.

The Compton Fund Transactions

In accordance with decisions filed with The Financial Post on Dec. 15, 1944, the following transactions were completed during the period from Dec. 21, 1944 to Jan. 11, 1945:

SOLD—

No. of Shares	Security	Sales Price $	*Proceeds $	Income $
10	Dom. Steel & Coal, B com.	8.125	79.55	
5	Dom. Steel & Coal, B com.	8.25	40.30	
25	Algoma Steel, c.	16.00	393.25	
10	Brazilian Tract. L. & P., com.	22.75	224.80	20.00
10	Brazilian Tract. L. & P., com.	23.00	227.30	20.00
10	C. P. R., com.	13.50	132.70	10.00
20	Lake Shore Mines, com.	17.50	346.60	16.00
100	Malartic Gold Fields, com.	3.60	354.75	
50	Calgary & Edmonton, com.	1.90	93.87	5.00
5	Ford of Can., A com.	26.00	128.30	5.00
	TOTAL		2,021.42	76.00

*After brokerage and taxes.

PURCHASED—

	Security	Cost Price	*Gross Cost	Income
$2,000	Canada 3% bond, due 1956/59	100.375	2,008.39	60.00
	Uninvested cash		13.03	
	TOTAL		2,021.42	

*Includes accrued interest.

Profit on sales $135.17

Indicated income decreased 16.00

Reasons for Changes

Since this account was opened, i.e., during the period from Dec. 15 to Jan 11, Compton's broker sold preferred and common stocks having a book value of $3,872.80 and realized a net cash profit of $309.19 or 7.98% on the cost of the shares sold. The proceeds from the sales have been invested for the time being in Canada 3% victory bonds due 1956-59. Expected annual income has been decreased to $373.50.

It may be noted that (on Jan. 11, 1945) the Toronto Stock Exchange industrial stocks index at 135.0 was almost exactly half way between the high point of 187.7 recorded on March 6, 1937, and the low point of 79.9 recorded on April 29, 1942.

With $5,465 of its principal in preferred, common and mining stocks, Compton is in a position to make some advantageous sales if the market should now move on to considerably higher levels. Instructions have, in fact, been given the broker to sell about $500 of his present holdings and invest the proceeds in 3% Dominion bonds, on a moderate additional rise in market prices.

On the other hand, if, instead, the market were to fall materially below the present mid-point between the vividly remembered extremes above mentioned, Compton is in a position, with his present holdings of 3% bonds, to pick up such bargains in sound stocks as, under the circumstances envisaged, might then become available.

The Compton Fund Now Stands

No. of Shares	Security	Cost per share	Market per share
20	Dom. Stores, com.	13¼	14
5	Simpsons, A, com.	40	48¾
10	Canada & Dom. Sugar, com.	23	24⅝
10	Silverwood's, com.	5	5⅜
10	Walkers, com.	[illegible]	[illegible]
5	Ford of Can., A com.	25½	25¾
10	Dom. Bridge, com.	[illegible]	[illegible]
10	Montreal L., H. & P., com.	[illegible]	[illegible]
5	Consumers' Gas, com.	140	141¾
20	Cons. Paper, com.	[illegible]	[illegible]
25	St. Lawr. Corp., A pf.	[illegible]	[illegible]
5	Maple Leaf M., com.	[illegible]	[illegible]
10	C.P.R., com.	[illegible]	[illegible]
5	Goodyear, com.	[illegible]	[illegible]
20	Noranda	[illegible]	[illegible]
100	Madsen Red Lake	[illegible]	[illegible]
100	Steep Rock	[illegible]	[illegible]
	Bonds		
$4,700	Canada, 3% 1956/59	100⅜	[illegible]
	Cash		[illegible]
	Current Market Values		[illegible]

Addresses Made at the Annual Meeting of Shareholders

The Royal Bank of Canada

Morris W. Wilson, President, says continued Canadian development depends on world-wide system of trading based on international monetary and exchange stability. Urges Canada be one of first to approve principles of Bretton Woods Conference. "Next step in preparation for the general resumption of foreign trade after the war must be discussions and agreement between Governments on Commercial Policy."

SEES NEED FOR EXCHANGE STABILITY WITHOUT RIGIDITY OF GOLD STANDARD

Sydney G. Dobson, Vice-President and General Manager, reports total assets at all-time peak with year's increase greatest in history of bank — steady development in foreign business — southern branches in unique position to facilitate Latin-American trade.

ENLISTMENTS TOTAL 74% OF PRE-WAR MALE STAFF UNDER 45

The Seventy-sixth Annual General Meeting of the Shareholders was held at the Head Office in Montreal on Thursday, January 11th, at 11 a.m., Mr. Morris W. Wilson, in the chair.

Mr. Wilson, the President, in moving the adoption of the Director's Report, said:

PRESIDENT'S ADDRESS

The Annual Report and Balance Sheet of the bank which the General Manager has just submitted will, I am sure, be received by you with satisfaction. The story of progress which they show is a notable one. Once again your bank has been privileged to establish new records for Canadian banking. The extent of our resources and the efficiency of our organization built up over a period of three-quarters of a century are constructive factors in the economic life of Canada.

This is the sixth time that we have held our Annual Meeting under the shadows of war. Hopes of a victorious ending of the war with Germany in 1944 met with disappointment, all the deeper because these hopes had been so well supported by the prowess of our splendid armies in Europe. However, the recent set-back in the West is only a hesitation on the road to victory. The outcome is assured if we, and the other United Nations, meet the challenge in the same spirit as did Britain in those dark days of 1940, by throwing into the struggle every ounce of our effort and every atom of our resolution.

Without lessening or detracting from our determination to bring the war to a successful conclusion at the earliest possible moment, it is inevitable that the longer we are involved in war the more we find ourselves thinking about what comes after, particularly in the economic sense. It is well that this should be so, provided it does not blur the fact that our principal business is still to win the war.

The transition from a war to a peace economy will be a period of great difficulty even under the most favourable conditions. The untangling of the web of economic controls and expedients that has been spun during more than five years of war, must be done carefully and not by cutting the knots. Gradually there must be absorbed into the peacetime economy of Canada over two millions now engaged directly in the war effort.

It is an opinion frequently expressed that the first few years after the war will provide employment and business stimulus through the physical reparation of devastated areas and through the satisfaction of domestic consumer demand. There is undoubtedly something to be said for this point of view, but I think its importance tends to be over-emphasized. In the United States the great size of the domestic market will provide a substantial back-log of demand for domestic products, but Canadian prosperity cannot depend to the same extent on internal demand.

FOREIGN TRADE VITAL

Historically, Canada has owed her economic development to foreign trade. Since the days when raw furs were our only export, our growth has been primarily dependent upon the disposition of staple products on a scale out of all proportion to the domestic market. It is estimated that, in the years immediately prior to the outbreak of the present war, between one-quarter and one-third of the Canadian national income was derived from exports of some billion dollars a year. Furthermore, in the future, we must not only maintain our pre-war exports, but, in order to secure an adequate national income, we must expand them further, possibly, to double their prewar value. The importance of foreign trade to our economy is the result of the utilization of our vast natural endowment in agricultural lands, in forests and in minerals. Within the probable future, it is inconceivable that Canada can hope to absorb her normal production of wheat, pulp and paper, and minerals. It is obvious that the Canadian standard of living depends upon markets abroad for our primary products; and the maintenance of such markets cannot depend solely upon the policies of the Dominion Government.

Trade is essentially the exchange of commodities or services. If Canada is to maintain the increased volume of export trade which will ensure the steady and profitable operation of our farms, mines and forest industries, and a level of employment which will provide a minimum of decent living to a majority of our people, world trade conditions must be very different from those which prevailed prior to the war. Then, foreign trade was hampered by a hodge-podge of exchange controls, import restrictions, quotas, tariffs, subsidies and other measures whereby countries endeavoured to secure that degree of balance in their foreign payments which would prevent national bankruptcy.

The first necessity for a greatly increased world trade is, of course, political stability. As long as countries fear the recurrence of war, the economic benefits of foreign trade will not be sufficient to induce them to forego that measure of economic selfsufficiency which they consider desirable for military security. The second requirement will be employment stability within the individual countries. Debates in the Canadian Parliament, the British White Paper on employment policy, and the published proposals of government and business in the United States, all show clearly the importance that governments and people attach to the maintenance of an adequate volume of employment.

The third need of expanding trade is monetary and exchange stability. Its importance is indicated by the fact that it is the first subject upon which a substantial degree of international agreement has been reached. Money is the oil which lubricates the economic machine.

Economic history is largely the story of man's efforts to solve the problems of easy exchange of commodities and services, and the subsequent improvement of his way of living. Starting from crude barter, the direct exchange of goods for goods, he developed the idea of a medium of exchange in terms of which all other things could be valued. At one time the "beaver" was the monetary unit of the Hudson's Bay Company fur trade. This is an excellent example of such a medium of exchange. Other furs and commodities were exchanged on the basis of their equivalent in beaver skins.

Metals, notably gold and silver, gradually came to be the recognized form in which exchange values were expressed. When these were coined or stamped with a set value guaranteed by the seal upon them, a true international currency, valid in widely separated areas, came into being. The growth of banking after the Renaissance, with the use of cheques, drafts and other instruments of exchange, simplified trading, but until the first World War, that is, well within the lifetime of most of us, gold was still the standard of value. So fixed was this idea that the "gold standard" was accepted as a mechanism of universal application and automatic operation. Indeed there were few dissenting voices when Great Britain and other countries resumed the gold standard after the last war at varying rates. They were again on an international standard, and that was considered the most important element in the situation.

CANADA CANNOT STAND ALONE

International co-operation vital to national prosperity.

"A phase of Canadian foreign trade which must not be forgotten is its peculiar geographical distribution," said Mr. Wilson. "Normally we export considerably more to Great Britain and other countries of the Empire than we import from them. On the other hand, our imports from the United States are usually in excess of our exports to that country. Under normal exchange conditions it was relatively simple to adjust this situation. Our sterling balances, accumulated through exports to the Empire, were readily exchangeable for U.S. dollars with which to pay for what we purchased in the United States.

"War-time experience, however, has shown the difficulties which arise when this multilateral adjustment of trade balances breaks down. As a result of the control of sterling made necessary by the war, Canada has been forced to depend upon her own devices for liquidation of British balances, through interest-free loans, mutual aid, and the repatriation of Canadian securities. We were also forced to restrict purchases and travel in the United States, in order to reduce the demand for U.S. dollars, thereby making it easier for us to pay for essential imports. If the world should be divided into exclusive trading areas after the war, as is frequently suggested, of which one might be based on sterling and another on the U.S. dollar, Canada would be in a peculiarly disadvantageous position since she properly belongs in neither group. Our membership in the British Commonwealth of Nations, and the coincidence that our unit of currency is named "dollar" as in the United States, create an anomalous situation, and obscure our true position in the eyes of many. Because of these factors, and our own selfish interests, we are compelled to prefer a world-wide system of trading. There is no altruism about it.

"If international trade on the broadest scale is not fully restored, what can Canada do independently to preserve her foreign markets? There are certain obvious measures, notably maintenance and improvement of the quality of our exports, vigorous salesmanship, and the acceptance of imports from countries to which we export, up to the limit either of their capacity to sell to us, or of our ability to absorb their products. These are basic principles which Canada can and should adopt, whatever the rest of the world may do.

"What other alternatives will be normally available to us? In the first place, we might have to restrict our exports to the ability of foreign markets to pay for our products. Since many of our major export commodities are produced on a scale out of all proportion to our own consumption, the subsequent unemployment of men and resources, the agricultural depression, and the social problems which would arise, would build up a load that our economy and constitution could not support. Secondly, Canada might provide credits to countries desiring to import goods on a basis similar to the credits which have been established during the war, but with the hope of ultimate repayment. Finally, we could subsidize exports.

"Furthermore, as I stated a year ago, I believe it would be sound policy for Canada not only to extend liberal long-term credits to countries who are actual or potential buyers of Canadian products, but in special cases to make outright gifts of foods, raw material, finished goods and machinery to assist and hasten the rehabilitation of such countries.

"Thus far could we go, independently of the policies of other powers. But a moment of consideration will show how slight our hopes of success would be without international co-operation."

GOLD STANDARD

The experience of the inter-war years soon proved that the gold standard did not operate mechanically, and a re-examination of its principles has shown why.

The "gold standard" never functioned entirely automatically. Gold provided a true international currency, and movements of the metal from country to country, in the long run, determined the international equilibrium. But the system could never have been maintained without the unrivalled supremacy of the City of London in the foreign exchange and international investment markets, the degree of liquidity it maintained, the great foreign loans it floated, the willingness of Great Britain to accept imports of goods and services for payment on loans, and last but by no means least, the knowledge and experience of the great London banks and financial houses.

In the second place, all countries observed the code of economic ethics set up by the gold standard. In fact they, unconsciously and therefore the more readily, surrendered a substantial degree of their national sovereignty in regard to economic policy. Domestic prices and production fluctuated, not in response to local needs, but according to the "automatic" standard. Fluctuations were, on the whole, corrected through the normal operations of market and price policies. Unemployment and hardships which would not be acceptable today, were the result in individual countries, but a balance was maintained as between country and country.

The international position after the war of 1914-18 was fundamentally changed. As in the present conflict, the productive capacities, the financial resources, and the competitive positions of the various economic units had become vastly altered. Lack of recognition of these changes prevented the adjustments necessitated by them. The international economic system, which had been disrupted by the war, remained out of balance and the disequilibrium became intensified.

Although international discussions took place, at Brussels in 1920 and Genoa in 1922, and the need for co-operative action was discussed, the actual return to gold was made piecemeal. Each country established what it considered the best rate for its currency, without regard to the actions of others, or to the changed relationships in the economies of the various countries. It is now generally conceded that the overvaluation of sterling and the undervaluation of the franc were two of the principal errors made, if international stabilization were to be achieved.

NATIONS FORSAKE RULES

No country had both the financial authority and the skill that Great Britain had contributed to the maintenance of an international monetary system in the 19th century. Countries ceased to abide by the rules, that is, they ceased to adjust their domestic policies to the requirements of the gold standard system. With the breakdown and the abandonment of the standard in 1931, each country set out on its own course.

Instead of adjusting domestic prices and production to the needs of international exchange stability and balanced payments on international account, countries began to manipulate exchange rates as a means of increasing domestic and foreign trade, in order to maintain employment at home.

International trade became disrupted, with every country seeking to force its exports on others, but to reduce imports to a minimum. Competitive exchange depreciation, higher and higher tariffs on imports, quantitative quotas and bulk purchases, and similar measures, were utilized by all countries in greater or less degree. Well over a third of total world trade was conducted on a basis of crude barter—direct exchange of one country's goods for an exactly corresponding amount of another country's. So had the wheel come full circle—back to the most primitive method of exchange. With the collapse of the gold standard, there disappeared the only operative system for the co-ordination of national economic policies; in its absence, sovereign countries, acting independently and without regard for the external repercussions of their policies, inevitably drifted toward international economic chaos.

ECONOMIC CHAOS

Upon this economic chaos has now been superimposed the new disequilibrium produced by a Second World War—longer, more intense and more destructive than the first. The world economy will be even less balanced than it was in 1939. The great importing countries of the world, including Great Britain and those on the continent of Europe, have suffered devastation, destruction of their industrial machinery and particularly Great Britain, loss of overseas markets through complete absorption in war effort. The United Nations have already been forced to notify certain of the liberated areas of Europe which need machines and material for reconstruction that, since war needs are still paramount, these materials do not exist in sufficient amount to provide them in any reasonable quantity.

Other countries, notably those of North America, have found their industries and agriculture greatly expanded. In order to maintain employment it will be necessary for these countries, and particularly for Canada, to export to an extent greater than was necessary even before 1939. When the material and machines become available for export from North America are we to inform countries desiring to import that, since they cannot pay immediately, we cannot ship?

TRIBUTE TO STAFF

In paying tribute to the staff, Mr. Dobson said: "Each year since the war started the volume of work for the members of our staff has increased, and it is difficult to do justice to their achievements. They have worked unselfishly in the interests of the bank and merit our deep appreciation.

"Our staff, not including those in the Armed Services, now totals 8,204. In Canada 71 percent are young women, compared with only 21 percent in 1939. While the more experienced officers have been under great personal pressure, because of the need to train and help inexperienced newcomers, these new members of the staff have learned quickly, fitted in readily, and performed splendidly the duties allotted to them. All of our officers serve with a sense of public responsibility as well as of duty to the bank.

"Leave of absence for military service has been granted to 2,255 of our officers since the war started, of whom 2,154 enlisted from Canadian branches. This is equal to 74 percent of the Canadian male officers who were under 45 at the war's outbreak.

"As the war develops with increasing momentum to its final stages, attention is naturally directed more and more to the conditions we shall experience when the conflict is ended. In the banking field one of the first considerations will be the problem of placing in satisfactory positions the members of our staff who are serving in the various armed services. This matter is uppermost in our minds and is being given careful study."

At Bretton Woods last July the technical experts of forty-four countries agreed upon systems of international control of foreign exchange and foreign investment. These plans have been criticized from many sources and for many reasons.

Some criticize the International Monetary Fund because it resembles the gold standard too closely; others because it departs too far from that standard. These contradictory criticisms indicate the real nature of the proposals—the provision of exchange stability without the rigidities of the gold standard, and flexibility without the competitive exchange depreciation of the inter-war years. Through the co-operation of all countries in such a Fund, current exchange transactions would be left free, and temporary lack of equilibrium would be adjusted through loans from the Fund. The other instrument of co-operation, The International Bank for Reconstruction and Development, would assist in the control and direction of international capital movements.

NO PANACEA

The experts of Bretton Woods make no claim that their programme is a panacea or that it will automatically solve post-war trade problems. The articles of agreement establishing the International Monetary Fund place among its purposes the facilitating of the expansion and balanced growth of international trade, and thereby the promotion and maintenance of high levels of employment and real income, and the development of the productive resources of all members, as primary objectives of economic policy. This aim is given rank even above exchange stability and the establishment of a multilateral system of payments for current transactions.

U.S. Secretary of the Treasury, Henry Morgenthau, in his closing address to the Conference at Bretton Woods last July said:

"I take it as an axiom that after this war is ended no people—and therefore no government of the people—will again tolerate prolonged or widespread unemployment. A revival of international trade is indispensable if full employment is to be achieved in a peaceful world and with standards of living which will permit the realization of man's reasonable hopes.

"What are the fundamental conditions under which the commerce among the nations can once more flourish?

"First, there must be a reasonably stable standard of international exchange to which all countries can adhere without sacrificing the freedom of action necessary to meet their internal economic problems.

"This is the alternative to the desperate tactics of the past—competitive currency depreciation, excessive tariff barriers, uneconomic barter deals, multiple currency practices, and unnecessary exchange restrictions—by which governments vainly sought to maintain employment and uphold living standards. In the final analysis, these tactics only succeeded in contributing to world-wide depression and even war. The International Monetary Fund agreed upon at Bretton Woods will help remedy this situation.

"Second, long-term financial aid must be made available at reasonable rates to those countries whose industry and agriculture have been destroyed by the ruthless torch of an invader or by the heroic scorched earth policy of their defenders.

"Long-term funds must be made available also to promote sound industry and increase industrial and agricultural production in nations whose economic potentialities have not yet been developed. It is essential to us all that these nations play their full part in the exchange of goods throughout the world.

"They must be enabled to produce and to sell if they are to be able to purchase and consume. The International Bank for Reconstruction and Development is designed to meet this need."

As the technical experts of the Monetary Conference think, so do a great many practical businessmen. At Rye, N.Y., in November, businessmen from fifty-two countries, including Canada, met to discuss international problems. They agreed that the objective of commercial policies of nations should be the raising of the standard of living and the restoration of a multilateral trading system. They recommended a Multilateral Trade Convention for all countries to provide for the progressive lowering of trade barriers; the elimination of quotas and import embargoes; the abandonment of discriminatory trade practices; the abandonment of national sales and production monopolies.

NEXT STEP

It appears to me that the next step in preparation for the general resumption of foreign trade after the war must be discussions and agreement between governments on commercial policy. If some standard of commercial policy is not established prior to the resumption of general trading, we may see the continuance of the predatory practices of the pre-war era. These discussions should, as the businessmen at Rye recommended, cover all phases of foreign trade practice including the control of the local market, import restrictions and the problems of international "dumping," which has again loomed on the horizon.

Canadian economic development, in the future as in the past, depends upon the maintenance and development of international trade. Monetary stability is one of the prerequisites of international trade. For Canada, therefore, monetary stability is of paramount importance. If we acknowledge these premises, our course of action is clear. We must implement the measures necessary to secure them.

The economic achievements of Canada during the war have excited the admiration of the Allied world. We have led in the establishment and maintenance of an adequate system of price control, our taxation and borrowing programmes have been highly successful, and our financial experts have made no small contribution to the negotiations of the international monetary agreements. These agreements are as yet at the technical stage, but they will come before the Parliaments of the signatory powers for ratification this year.

Let Canada take the leading role in preparation for peace that her achievements warrant. I sincerely hope that Canada will be one of the first to approve the principles of the Bretton Woods agreements, leaving the Government free to deal with matters of detail in consultation and agreement with the other countries concerned. Let us by that means record our confidence that men can reach in the economic sphere, as they have in the winning of the war, that degree of mutual compromise and co-operation essential to the winning of the peace.

HIGHLIGHTS

Mr. Wilson said:

It is an opinion frequently expressed that the first few years after the war will provide employment and business stimulus through the physical reparation of devastated areas, and through the satisfaction of domestic consumer demand. There is undoubtedly something to be said for this point of view, but I think its importance tends to be over-emphasized. In the United States the great size of the domestic market will provide a substantial back-log of demand for domestic products, but Canadian prosperity cannot depend to the same extent on internal demand.

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Trade is essentially the exchange of commodities or services. If Canada is to maintain the increased volume of export trade which will ensure the steady and profitable operation of our farms, mines and forest industries, and a level of employment which will provide a minimum of decent living to a majority of our people, world trade conditions must be very different from those which prevailed prior to the war.

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Mr. Dobson said:

The Balance Sheet submitted to-day is particularly noteworthy in that assets show the largest annual increase in the history of the bank, namely $281,154,231; the total having reached the all-time high of $1,790,251,802.

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There has been a month by month, year by year, increase in the number of deposit accounts, and we now have on our books the accounts of 1,450,000 depositors, the increase in 1944 being the largest on record.

It is obvious that after the war it will be necessary for us to extend our building programme considerably, if the public are to be given the type of service they were accustomed to receive prior to the war. Our customers have been most considerate of our lack of space and the inexperience of many of our staff. They appreciate the difficulties under which we are working, and without complaint often stand in line awaiting their turn to reach the banking wicket, but it would not be right to demand or expect the same consideration in peace time.

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The South American countries are potential purchasers of large quantities of equipment of all kinds for modernizing and expanding already established manufacturing facilities, for developing new industries, and carrying out public works programmes. A growing interest in Canada and Canadian products is evident, and it is hoped that our manufacturers, exporters, and importers will reciprocate this interest. Our well-placed branches are in a unique position to offer assistance in the development of trade between Latin America and Canada.

GENERAL MANAGER'S ADDRESS

Mr. Sydney G. Dobson, Vice-President and General Manager, referred to the financial statement as follows:

It is with a feeling of pride that we place before you the Annual Report and Balance Sheet reflecting the position of this bank at the close of seventy-five years of operation. I am sure that you will find in these statements impressive evidence of progress, maintained through all the ups and downs that have marked this three-quarters of a century in the history of our country. The corporation of which you are shareholders has steadfastly carried out the services it was chartered to provide and has played an impressive role in the development of Canada.

Although the anniversary we mark at this time is our seventy-fifth, we are inheritors through the absorption of other banks, of an enviable record of banking services running back more than one hundred and twenty-five years. It should be said that though there were severe trials in many periods, never in its long history has the bank's staff been put to such a physical test as during the last five years. Our services have had to be expanded to a tremendous extent to take care of the additional work resulting from the war. We are proud that, notwithstanding sharp contraction of our experienced staff due to heavy enlistments in the armed forces, our services to the public have been kept up to such a high level, and the additional government business handled with expedition and satisfaction.

These services are provided by 580 offices in Canada, and by 70 branches and agencies in other countries. It is 46 years since The Royal Bank of Canada opened its first branch outside Canada, and we now supply banking accommodation in 24 countries outside the Dominion.

STRONG LIQUID POSITION

The Balance Sheet submitted today is particularly noteworthy in that assets show the largest annual increase in the history of the bank, namely $281,154,231, the total having reached an all-time high of $1,790,251,802.

Our liquid position is exceedingly strong. Cash on Hand and Balances Due by Banks aggregate $302,492,589 and Dominion and Provincial Securities are held to the value of $810,032,435. Adding to these, Other Securities, Cheques on Banks, and Call Loans, the Total Liquid Assets add up to $1,377,849,205, or 81.62% of our Total Liabilities to the Public.

The increase during the year in our holdings in Dominion Government Securities is made up for the most part of short-date, low yielding obligations. During the same period our average Savings Deposits in Canada, on which we pay interest, increased $86,535,378, so that the additional revenue received from our greater holdings of Dominion Government Securities was to a large extent paid out as interest on the additional Savings Deposits.

Total Commercial and Call Loans show a slight increase. Commercial Loans in Canada are down $16,896,949, while Call Loans are up $17,126,897. Commercial Loans outside Canada are up $23,891,699.

Every effort is being made to increase the total of desirable loaning business in Canada, but the demand is limited. While many new loans are being continually made, repayments offset such new advances. This condition will in all probability continue during the war period, but we may look for an increased demand for financial assistance from many customers when their war-time contracts with the Government are completed.

On the Liability side of the Balance Sheet, Total Deposits have increased $276,993,498 to a total of $1,676,884,696. Of the increase $216,242,718 was in Canada and $60,750,780 at foreign branches. There has been a month by month, year by year, increase in the number of deposit accounts, and we now have on our books the accounts of 1,450,000 depositors, the increase in 1944 being the largest on record.

Profits for the year, after providing for Dominion Government taxes of $2,127,214 amounted to $3,812,183, an increase of $385,894. Dividends paid amounted to $2,100,000. We contributed $880,000 to the Pension Fund Society and $400,000 was written off Bank Premises, leaving $432,184 to be carried forward to Profit and Loss Account.

As will be seen, we have increased our contribution to the Pension Fund Society.

We have heretofore been contributing under a provision of the Income War Tax Act which limited the contribution to an amount equal to 5% of the compensation paid to our staff with a maximum amount of $300 for any one officer. Our staff also makes annual payments into the fund, which up to now have about equalled the contribution by the bank. These contributions, together with the interest from capital investments, constitute the income of the Society. It has now become evident that this income is insufficient to maintain the Society on a basis of actuarial solvency, the reasons for this being that an increasing number of our staff are reaching the retiring age, and as, owing to war conditions, practically no young men are being added to our staff, income which the Society would otherwise have received from that source has not been available. Furthermore, the yield on Government securities, which form the bulk of the investments of the Society, has fallen off considerably. This condition is common to most other pension funds, and the Government, recognizing the situation, introduced new provisions into the Income War Tax Act. The Act now provides that should an actuarial examination disclose that the resources of a pension fund require to be augmented to ensure that all obligations can be discharged in full, further contributions by the employer will be permitted over a period of years if approval of the Minister of National Revenue, on the advice of the Superintendent of Insurance, is obtained.

We have received the necessary authority to make this special contribution over a period of years, and our Directors have authorized a contribution of $500,000 out of 1944 earnings for this purpose.

The usual reserves for Bank Premises and Sinking Fund appropriations to our property holding companies have been made. Through these appropriations and the sale of properties not required in our operations, our real estate holdings of various kinds show a total reduction on our books of $1,155,000.

BUILDING PROGRAM

It is obvious that after the war it will be necessary for us to extend our building program considerably if the public are to be given the type of service they were accustomed to receive prior to the war. Our customers have been most considerate of our lack of space and the inexperience of many of our staff. They appreciate the difficulties under which we are working and, without complaint, often stand in line awaiting their turn to reach the banking wicket, but it would not be right to demand or expect the same consideration in peacetime.

The printed report of the proceedings of this meeting being mailed to shareholders will, as usual, contain a review of conditions in Canada and other countries in which we have branches.

The steady development of our foreign business is most gratifying. The situation in the Caribbean area continues to be satisfactory. This is particularly true in Cuba where, as a result of the remunerative prices being paid for the principal crops, the country is enjoying a period of prosperity.

In the South American countries business has been active due to building construction and an expanding manufacturing industry. Foreign trade again has been largely one-sided owing to a sustained demand for their exports and the difficulty in obtaining needed requirements from their principal foreign sources of supply. The result is that generally speaking foreign exchange holdings of these countries show a further substantial increase, and this seems likely to continue until the end of the war.

They are potential purchasers of large quantities of equipment of all kinds for modernizing and expanding already established manufacturing facilities, for developing new industries, and carrying out public works programmes. A growing interest in Canada and Canadian products is evident, and it is hoped that our manufacturers, exporters, and importers will reciprocate this interest. Our well-placed branches are in a unique position to offer assistance in the development of trade between Latin America and Canada.

All in all, our foreign branches are a valuable adjunct to our Canadian business.

Perhaps the outstanding event in Canadian banking during the past year was the renewal of the bank charters for a further ten years. The discussions before the Banking and Commerce Committee were protracted, continuing over a period of ten weeks. This period was taken up to a large extent by a small group of the Commiteee who discussed all phases of banking theory and dealt exhaustively with questions pertaining to the contingent reserves of the banks.

BANK ACT REVISION

The changes made in the Bank Act were for the most part constructive in character, and include provisions which put the banks in a position to increase their lending facilities to farmers and fishermen to an extent which will enable such borrowers to obtain their credit requirements on a wider scale of favourable rates of interest. Provision was also made to simplify the procedure of borrowers obtaining advances under Section 88 of the Act against goods, wares and merchandise.

The note issuing privilege of the banks has been terminated, except with respect to special issues for use in the British West Indies or other British possessions. Since December 31, 1944, it has been unlawful for the banks to pay out their own notes in Canada, and on January 1, 1950, they are required to pay to the Bank of Canada the amount representing the balance of their circulation then outstanding, the Bank of Canada being required to redeem all notes presented after that date. The so-called double liability pertaining to bank shares, now reduced to 25% by progressive reductions in circulation, will then disappear. The circulation privilege has not been of great value in recent years except as an advertising medium, but the privilege did serve a very practical purpose in years gone by. During the early development period in Canada it enabled the banks to establish branches in small rural communities which otherwise would have been denied banking facilities.

The reduction in the par value of bank shares from $100 to $10 should be beneficial in that the change should result in a wider distribution of the ownership of bank shares.

The maximum rate of interest which banks may charge has been reduced from 7% to 6%, which is admitted under certain circumstances to be a very low rate.

An important piece of legislation passed by Parliament last year was the Act to incorporate the Industrial Development Bank as a subsidiary of the Bank of Canada. The powers of the bank, briefly, are:

"To lend or guarantee loans to "industrial enterprises to whom "credit would not otherwise be "available, on reasonable terms "and conditions, or to underwrite "for or acquire from such enter- "prises issues of stocks, bonds or "debentures."

There are undoubtedly cases of small new industries or industries wishing to expand where the problem of securing capital is a difficult one. In some cases the length of time for which the accommodation would be required might be longer than that for which a chartered bank would be justified in lending its funds, and often the amount required would be too small to warrant financial houses making a public issue. For this reason there appears to be a place in our economy for such an institution as the Industrial Development Bank, and in cases such as those referred to it should serve a useful purpose and be of benefit to the country.

Since I last reported to you there have been 74 deaths among members of our staff on war service, bringing the total of our Honour Roll, printed as part of these proceedings, to 141. The death of these gallant men, while it has enriched the country record of achievement, has at the same time robbed our bank of officers who were rich in promise. The debt incurred for munitions of war can be calculated in dollars, but the debt owed these men by Canada is incalculable, and the least we can do is to pay a reverent tribute of respect to them as our benefactors.

On your behalf, and on behalf of the staff, I extend sympathy to their relatives.

BANK'S POSTWAR ROLE

The affairs of customers in many cases will undergo great changes in the transition period from war production to peacetime needs. In this transition we shall be called upon to play an important part in assisting financially in helping to bring about this change. It may be necessary for us to revise to some extent the existing practice of making loans for short terms only, and in certain circumstances to consider loans extending over a period of two, three, or five years to meet changed conditions.

I am not implying that we should depart from our policy of prudent banking, but because of our large holdings of readily negotiable Government securities, we may, without risk to our liquidity, assist deserving borrowers with longer term loans.

Your bank is strong financially and exceedingly well equipped to handle post-war financing, and we shall consider it our patriotic duty to play our full part in assisting business generally in becoming re-established.

Since 1857

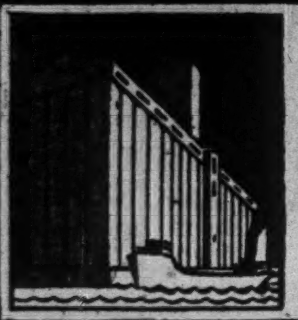
James Richardson & Sons
LIMITED

Grain Merchants
Shippers and Exporters

HEAD OFFICE
WINNIPEG

Branches Throughout Canada

TORONTO ELEVATORS
LIMITED



MASTER FEEDS
GRAIN
LINSEED & SOYA OILS

Also Owning and Operating
THE SARNIA ELEVATOR CO. LIMITED
SARNIA ONTARIO

QUEEN'S QUAY, TORONTO

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
OFFICES
Agency Building - - - - - - - Edmonton, Alta.
221 A 8th Ave. W. - - - - - - - Calgary, Alta.
McCallum-Hill Building - - - - - Regina, Sask.
411 Avenue Building - - - - - Saskatoon, Sask.

HALLET & CAREY LIMITED
GRAIN SHIPPERS AND EXPORTERS
GRAIN FUTURES
Owners and Operators
Fort William Terminal Elevator Co. Ltd.
and Powell Transports Ltd.
Head Office—563 Grain Exchange, Winnipeg, Man.
Branch Offices—Fort William, Ont., Montreal, Que.

TERMINAL WAREHOUSES LIMITED
FOOT OF YORK STREET, TORONTO AD. 3411

Dry — STORAGE — Cold
1,000,000 Square Feet of Floor Space
2,200 ft. of Docks — 6,000 ft. of Railway Sidings — Free Switching
Lowest Insurance — Bonded and Free Storage — Office Space
Coolers — Sharp Freezers — Freezers
Light Manufacturing — Field Warehousing Facilities — Canada's Largest Space Warehouse
Also owners and operators of
DIRECT-WINTERS TRANSPORT

Western Grain Co. Ltd.
275 Country Elevators and Terminal Elevator at Fort William
SERVING THE PRODUCERS OF THE PRAIRIE PROVINCES

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. — Iroquois Falls, Ont.
Pine Falls, Man. — Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. — Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

World Price Agreement Awaited by Wheat Men

Delay in Decision Attributed to U. S. Desire For High World Price, British, Argentines Believed Seeking Price Below $1.25

From Our Own Correspondent

WINNIPEG—Grain experts have been wondering about the delay on the part of the Washington wheat agreement committee to announce a basis for an agreed international wheat price. Great Britain, the United States, Canada, Australia and Argentina are the countries represented at present on the committee, although the agreement contemplates that other countries may later adhere.

The general assumption is that Canada is much more anxious to have an international price agreed upon than are the other countries. Presumably Canada would be willing to have the basis made the equivalent of the $1.25 minimum that is currently being paid to Canadian farmers.

But even $1.25 per bushel in American funds arouses no enthusiasm in the United States. The administration there, it is supposed, is not anxious to have to mention that price to American wheat farmers, so much lower than the price level now being maintained there. Moreover, to agree upon it would immediately pose the problem to the agricultural administration there as to whether large quantities of wheat should be exported under subsidy, and if not, how the news could be broken to American farmers that they must keep out of the export market.

In British opinion, it is believed, the $1.25 level, Canadian funds, represents a higher price than the Government is willing to agree upon just now. Then, too, there is the highly technical question as to the currency in which international prices should be quoted.

Australia is understood to be a fairly indifferent participant in the discussions, because of the current crop failure in that country during 1944.

Argentina, however, creates difficulties, for in spite of lack of formal diplomatic relations at Washington, Argentine representatives have sat in with the wheat committee. Their presence has been a source of some embarrassment, Argentine ideas as to prices are much lower than prevail in North America, and Argentina is understood to have made known her willingness to supply wheat on a decidedly cheaper basis. Moreover, it would be a matter of difficulty for Argentina to advance her prices for the large quantities of wheat now being sent to Brazil to levels much above those now prevailing. These facts add to the difficulty of reconciling presently prevailing price notions of Great Britain and the United States.

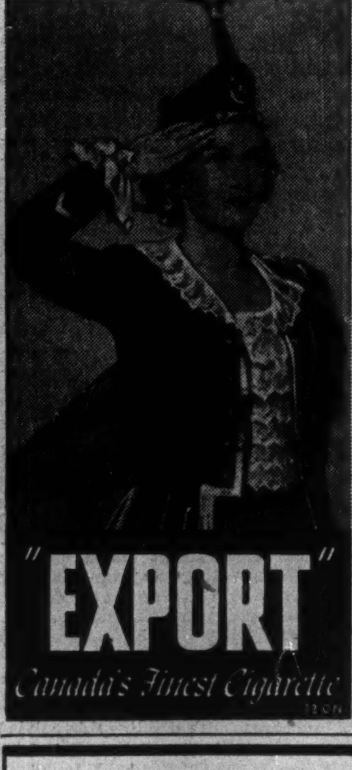
Quite apart from the problem of currency in which to quote prices is that of the point of quotation. Whether Liverpool or Fort William be chosen, any subsequent variations occurring in the respective levels of ocean freight and insurance rates applying between different countries would throw out of gear the price differentials agreed upon for different kinds of wheat.

One point stressed by experts is the difficulty of making any price level mutually acceptable and workable as between North American countries and different countries in Europe. Currency depreciation in the latter is likely to make any possible North American price appear high in Europe.

Refunding Bonds Issued By B. C.

A new issue of $3,920,000 of Province of British Columbia serial debentures dated Feb. 1, 1945 and due Feb. 1, 1946 to 1960 are being offered by a syndicate composed of A. E. Ames & Co., Dominion Securities Corp., Wood Gundy & Co., Canadian Bank of Commerce and Royal Bank of Canada. Proceeds of the issue will be used for refunding the Feb. 1, 1945 maturity of $3,989,000.

The issue consists of $1,050,000 of 2's due 1946-48 ($350,000 a year), $1,054,000 of 2½'s due 1949-50 ($300,000 a year) and 1951-52 ($227,000 a year) and $1,816,000 of 3's due 1954-60 ($227,000 a year). All maturities to 1953 have been sold and the 1954-60 maturities are being offered to yield from 3.00% to 3.07%.



Company Reports

Canada Cement

Volume of business for Canada Cement was slightly better for the year ending Nov. 30, 1944, than was anticipated due to certain easing of building restrictions. Total shipments, however, only represented about 65% of plant capacity, according to the President J. D. Johnson.

Prospects for the coming year are very clouded due to uncertainty as to when postwar building activity may be commenced, it is stated. Present trend of sales is downward and it is anticipated that this trend will continue at least to the end of the war in Europe.

INCOME ACCOUNT

Years Ended Nov. 30:	1944	1943
Net earnings	$3,782,386	$4,075,656
Less: Deprec.	1,625,000	1,750,000
Bond interest	405,255	442,284
Mortgage int.	17,300	19,300
Bond exp.	110,000	110,000
Inc. tax res.	863,000	705,000
Pension fund	100,000	100,000
Bond prem. & exp.	33,715	......
Net profit	828,116	949,072
Less: Pref. divd.	1,004,345	1,004,345
Deficit for period	176,229	55,273
Earnings per Share and Dividend Record:		
Pref.: Earned	$4.12	$4.72
Paid	5.00	5.00
Com.: Earned†	d0.80	d0.59
None paid.		

†After allowing full year's pref. dividends.

CONDENSED BALANCE SHEET

As at Nov. 30:	1944	1943
Cash & govt. bds.	$5,248,604	$5,933,318
Accts. rec.	776,921	713,114
Inventories	2,622,451	2,222,912
Total curr. assets	8,647,976	8,869,344
Misc. assets▲	1,103,259	1,192,941
Fixed assets†	32,636,426	33,886,489
Total assets	42,387,661	43,948,774
Accts., tax. pay., etc.	1,322,676	1,157,460
Total curr. liab.	1,322,676	1,157,460
Funded debt	9,395,000	10,945,000
Misc. res.	1,612,900	1,613,000
Capital stock	26,490,805	26,490,805
Earned surplus▲	3,566,280	3,742,509
†After depr. of	25,009,703	23,384,703
▲Incl. refund. E.P.T.	157,000	157,000
Working capital	7,325,300	7,711,884

Sawyer-Massey

A substantially increased operating profit which is offset by increased taxes is shown by Sawyer-Massey. Standard profits were established at $55,000 in June, 1944, necessitating payment of $57,232 additional taxes for 1942 and 1943.

The auditors report that buildings are carried at an excessive value in relation to net earnings, which is confirmed by G. W. Wigle, president. Efforts to sell two of the three buildings which are now rented to tenants under leases which expire in 1945 have been unsuccessful and they may constitute a liability in the future, it is reported.

INCOME ACCOUNT

Years Ended Sept. 30:	1944	†1943
Operating profit	$501,592	$362,006
Less: Interest	44,086	53,200
Depreciation	140,642	180,642
Inc. taxes, est.*	272,781	51,033
Net profit & surplus	44,083	77,131

*Including unstated refundable E.P.T.
†Before adjustment due to completion of War Contracts and setting of standard profit by board of referees.

Earnings per Share	$0.88	$1.54

No dividends paid.

CONDENSED BALANCE SHEET

As at Sept. 30:	1944	1943
Cash	$ 185,923	$ 1,000
Accts. rec.	402,555	579,919
Inventories	199,155	151,073
Total curr. assets	787,633	731,992
Misc. assets	16,785	20,780
Fixed assets†	561,081	671,303
Total assets	1,365,499	1,424,075
Bank loan	......	153,635
Accts. & tax. pay.	441,917	352,056
Total curr. liab.	441,917	505,691
Funded debt‡	587,500	587,500
Capital stock	500,000	500,000
Less: Deficit	163,918	169,116
†After depr. of	1,181,750	1,043,625
Working capital	345,716	226,301

‡In default as to principal since July 2, 1942.

Note: Refundable E.P.T. at Sept. 30, 1943, of $65,280 not included among assets but shown as footnote.

A Good Name
For over 70 years the name Maclaren, in the Ottawa Valley, has stood for fair dealing and a quality product.
Newsprint—Groundwood
270,000 h.p. Hydro Power installed capacity.
MACLAREN POWER & PAPER COMPANY
Maclaren-Quebec Power Company
The James Maclaren Company Limited
BUCKINGHAM, QUEBEC

THE ALBERTA PACIFIC GRAIN CO. (1943) LTD.
Operators of Country Elevators in Alberta and Saskatchewan
Terminal Elevators at Vancouver and Port Arthur
Offices: Calgary and Winnipeg

—Milne Studios Ltd.

PARTNER

Squadron Leader Kenneth B. Andras enters the partnership of Stanton, Hatch & McCarthy on the Toronto Stock Exchange; was a partner of the former firm, Mara & McCarthy before going overseas with the RCAF.

Refund Bonds Of Shawinigan

From Our Own Correspondent

MONTREAL — An issue of $18,761,000 Shawinigan Water & Power Co. first mortgage and collateral trust sinking fund 3½% bonds (series H) has been offered at 100 and accrued interest by a strong syndicate headed by Dominion Securities Corp. The bonds are dated Jan. 1, 1945, mature on Jan. 1, 1970, and are payable in Canadian currency only.

Earnings in 1944 amounted to $1.07 a share on the capital stock excluding refundable EPT and $1.14 a share including refundable EPT, according to preliminary figures in the prospectus.

Proceeds are being used to redeem $18,761,000 of 4½% bonds (series D) payable at New York, Montreal or London, at option of the holders. Result of the refunding operation will effect a saving for Shawinigan, in interest including exchange, of an estimated $280,000 annually.

Pro forma balance sheet, as of Dec. 31, 1944, shows that earned surplus increased during the year by $338,139, which represents surplus over dividend requirements, and indicates net income for 1944, excluding refundable E.P.T., of just under $2.3 millions. Deferred surplus, representing refundable part of E.P.T., was increased to $1,240,860 from $1,118,893.

During the five-year period to the end of 1944, Shawinigan has effected a reduction of approximately $11.5 millions, or 12.5%, in its funded debt. Taking into account the savings in interest and exchange involved in present refunding, the debt reduction and conversion program has resulted in total savings in fixed charges of approximately $610,000 annually, which is equivalent to 28 cents a share on the company's capital stock.

You don't have to wait for NEW UNDERWOODS—
—make your present Underwoods like NEW!

If you're not eligible, now, to buy new Underwood Typewriters, you don't have to wait until you are. Make your present Underwoods new—by factory-rebuilding.

In the Underwood plant, your old typewriters go through many factory processes that produce the new Underwood—and they emerge completely new in everything but age.

We'd like to have you see and test an Underwood "factory-rebuilt" . . . because we are sure you'd then agree that Underwood Elliott Fisher factory-rebuilding is today's best typewriter "buy".

UNDERWOOD ELLIOTT FISHER LIMITED
Joseph L. Seitz, President
Head Office: 135 Victoria St., Toronto
Branches in all Canadian Cities

UNDERWOOD TYPEWRITERS — CANADA'S *7-OUT-OF-10 CHOICE

FRIENDSHIP IS HIS BUSINESS, TOO!

MARCHING side by side to Victory are the fighting men of Britain, the United States and Canada.

The Canadian soldier is the long-time friend of Tommy Atkins and G. I. Joe. He interprets one to the other . . . helps to bring about mutual friendship and understanding.

Canadians in countless ways can play this important role . . . be the link that joins the British Commonwealth and the United States. How well we Canadians do this job will be reflected in the future security of the world. For what greater guarantee of *lasting* peace than complete and absolute understanding between John Bull and Uncle Sam!

Calvert
Distillers (Canada) Limited
AMHERSTBURG, ONTARIO

300 Years Ago Calvert Forged a Link of Friendship

FAR BACK in the 17th Century, Calvert, a famous statesman and Secretary of State to King James I, was one of the earliest pioneers in joining together, for the good of mankind, the Old World and the New.

In 1622 Calvert founded a colony in Newfoundland and, later, a colony in Maryland. Thus, over 300 years ago, Calvert forged a link between Great Britain and America which has strengthened throughout the years.

The mutual understanding between the British Commonwealth and the United States . . . fostered three centuries ago by Calvert . . . flourishes today in the combined operations of British, American and Canadian fighting forces. To strengthen that great partnership is our duty in the peace that lies ahead.

President of the Bank of Toronto
F. H. MARSH
Says Tax Structure Needs Revision

Present Taxes Will Curb Incentive to Work and Save

PRESIDENT'S ADDRESS

Gentlemen—

My first utterance on this occasion is to give expression to the great loss which the Bank has sustained in the death of Mr. John R. Lamb, Chairman of the Board of Directors of the Bank and internationally known as one of the foremost bankers in Canada.

Mr. Lamb joined the Bank in 1887 and was continually in its service for 57 years. He was appointed General Manager in 1922, Vice-President in 1926, President in 1935 and Chairman of the Board in 1942.

During this long period of 20 years his services to the Bank were invaluable. His wise judgment and outstanding ability throughout these two decades were largely responsible for the development and progress of the Bank, and his sense of fairness and qualities of mind built up a high degree of loyalty and respect in those privileged to be associated with him.

His loss will continue to be keenly felt over the years and the high standing of this institution, to which he contributed so much, will long remain a monument to his memory.

The Annual Statement before you and the General Manager's detailed comments thereon, discloses a sound position, a substantial increase in assets and a moderate gain in net profits.

Although the suggestion of a year ago that the war might end in 1944 has not been realized, tremendous strides have been made by the allied forces in practically every theatre of war and we have just [illegible] to be profoundly thankful, but the task ahead is still immense and the end not yet in sight.

With the release of large territories from enemy control, we have entered a new phase involving military occupation, relief and the re-establishment of governments. The difficulties which are being encountered reveal how the viewpoints of these countries have changed and how flexible must be the means of dealing with them if normal life and stable government is to again prevail.

Proud of Our War Effort

We are proud that our military and economic strength is standing up to the supreme test. Canada continues to contribute powerful aid in men, materials and shipping, and, with our allies, will carry on to total victory.

The response of Canadians to the various Victory Loans has been outstanding in spite of heavy taxation. The voluntary subscriptions of approximately 8 billion, 7 hundred million dollars since the war commenced, evidence the whole-hearted effort of the Canadian people and invite a well-deserved tribute to the excellence and efficiency of the National War Finance organization.

Great credit is due to our farmers who, with curtailed manpower and machinery, have through their own initiative and progressive enterprise and by working long hours, continued to make available in abundance the essential foodstuffs.

In 1943 the production of Canadian farms was valued at $1,397,270,000., an all-time record. For 1944 it is expected that the figure may approach $1,750,000,000. This tremendous production has brought a new prosperity to the Canadian farmer particularly in the Western provinces.

Post-War Problems

The war has demonstrated the great productive abilities of our people when inspired by patriotic motives and their willingness to sacrifice in the cause of victory.

Victory, however, will not achieve Utopia. The aftermath will bristle with complex problems, of which the most important will be the change-over without delay to the maintenance of a high and stable level of peacetime employment. The responsibility for bringing this about attaches to both Government and business.

Business must accept its share of responsibility for the National welfare and direct its full management skill and all-out initiative to increasing its operations to the limit in order to create more employment.

Employers must be ever more conscious of the importance of workers as a group and as individuals; enlist their co-operation, acquire their confidence and enlighten them on the problems of management. This will tend to improve labour-management relations and make apparent to workers generally the fact that they have a better opportunity of attaining their desires under individual enterprise than under any form of state socialism. Nothing is of greater consequence to employees than a sense of employment security.

Canadian people, after their experience in the last depression, will not accept any lengthy period of unemployment. In this situation our Governments must be constructive, wise and firm, yet prudent in knowing where and when to stop. For the future of Canada, Canadians must continue to be free to create business and work, with Governmental power always in reserve to arbitrate and when necessary to act.

Exports

Canada is vitally interested in the plans being investigated and formulated by the various countries to promote a sound basis for international trade including currency stabilization.

The Canadian Government is fully alive to the importance of our export trade and its relation to a high standard of post-war employment, and is already taking important measures to promote such trade.

In the past Great Britain has been by far our largest customer. It seems apparent that after the war her exports will for a time at least be at a lower level than in pre-war years. Earnings from British shipping will probably be substantially down and undoubtedly income from British investments abroad will be much reduced due to liquidation during the war. Her buying abroad will inevitably be confined or nearly so to vital necessities at least for some years.

The same will apply to the wartorn countries of Western Europe. Nevertheless, the immediate need of foodstuffs, as well as lumber and metals with which to sustain, repair and rebuild the devastated nations, is likely to tax to the limit our ability to supply during the first two or three years following the end of war in Europe.

If Canada is to meet these pressing needs and at the same time serve her own best interests, she must take a broad-minded long-term view of her export trade, and to that end be as generous as is practically possible in extending credits and otherwise assisting those nations sorely in need of our products. It is essential also that new avenues of export business be explored to a much greater extent than has been the practice in the past.

There must be fewer barriers to the exchange of goods than formerly and a more complete understanding of the problems of other countries.

It must be remembered, too, that in international trade, sales must largely be offset by purchases and we must be prepared to import more than in pre-war years.

In the final analysis, however, our ability to compete successfully in the world's markets must depend chiefly on the cost of our products, which will be largely governed by the efficiency of post-war labour and its willingness to give full value for the high wages necessary to the maintenance of a good standard of living.

Tax Structure Needs Revision

The tax structure, which was built up hastily to meet the immediate needs of the war, is unfitted for the future. Its effect is to curb incentives to work and to save, and under the excess profits levy, the expansion of a business through internal growth is practically impossible. One of the first needs for post-war Canada is a complete overhaul of taxation, which must be accomplished with vision and a determination to see that honest effort is not stifled.

We regret to note numerous cases where individuals and groups, who for long years have successfully operated a particular industry, are being forced to sell or otherwise liquidate their business in order to prevent a sacrifice sale or liquidation of their holdings later for the purpose of meeting succession duties. This is not good for the economy of the country, especially at a time when the most experienced guidance is needed for the preservation and expansion of our industrial life. We sincerely hope that some workable reform will result from the detailed study which is now being made by Ottawa of the entire problem of succession duties in combination with income tax as applied to business life.

As bankers in daily contact with borrowers and depositors throughout the country, we are impressed with the desire of most Canadians to stand on their own feet.

Much has been heard in recent years of the great fears of the individual—fears of want, of unemployment, of oppression, etc. Similar fears, too, have been and are being felt in marked degree by business, because business after all is not something apart from the individual, but in reality is the individual in the capacity of adventurer and employer. Unless the business man can be relieved of the handicap of uncertainty and feel free to develop and expand his activities without being subjected to new and unexpected restrictions, the individual worker, who is largely dependent upon business and industry to provide steady work, will necessarily continue to feel apprehensive as to his future.

Shareholders' Ownership

In times such as the present, tension and strain appear to promote criticism of systems and institutions—often of those that have best survived the test of the years.

In Canada a socialistic movement seeks to take away from the tens of thousands of shareholders their ownership of the banks in which they have invested their money, and to vest that ownership in a state monopoly. This is not intended by its supporters as a punitive measure for wrong-doing, nor is it designed to correct any evil practices. They acknowledge that banks are well operated, that they do not make excessive profits, and that they are well regulated by Parliament. They admit that they wish to take them out of the hands of the shareholders solely for the purpose of effecting control over all business and of the entire economy of the country, something impossible under the present system. The socialists have made it clear that their intention is to use the vast pool of individuals' deposits as a national fund wherewith they may finance grandiose schemes of so-called "planned economy" and also finance, as they themselves admit, enterprises which may be non-paying but, in their opinion, socially desirable.

Those who seek to erase the shareholders' investment are vocal and vociferous. They try to mystify people by representing banking as a great monopolistic organization operating from behind a veil of mystery. I am a firm believer in the capacity of the average Canadian to distinguish simple truth and separate it from political propaganda; therefore we should tell more fully and more often the simple facts about banks.

A bank, in essence, exists simply because it renders a service that the community needs and is willing to pay for at rates that will yield a modest profit to those who have invested their money in its shares. The banks have assisted Canada through all of the vicissitudes of national growth. They have served the country in good times and bad; prospered when the people prospered and suffered in times of depression. Over the long years that the Canadian banks have been operating, their clients, depositors and borrowers alike, have had ample proof of the unquestioned worth of their obligations, of the integrity of their management and of the adequate margin of their assets over liabilities to depositors and others.

There is no mystery about banking, but considerations of secrecy as to clients' business not infrequently bar us from making replies to critics that would be irrefutable. Banks set high store upon the secrecy of their clients' business. How long this policy could be preserved if every branch bank manager were an appointee and an agent of a bureaucratic government is an open question. No state monopoly of banking could possibly operate at any lower cost to the country, nor could it serve as well as the competitive system which exists under free enterprise.

Mineral Resources

My remarks would be incomplete if I did not refer to the great Canadian mineral industry and its importance to the economic wellbeing of the country as a whole.

I am not sure that full appreciation is accorded the vast empire of mineral resources with which Canada is endowed. From coast to coast across this country the mining industry is becoming more and more important as a prime factor in the Nation's economy.

Gold, platinum, radium; the base metals—copper, nickel, lead, iron and zinc; the non-metallics—oil, coal, asbestos and salt, have been wholly responsible for the many new mining communities now dotting formerly uninhabited areas. This great expansion of industrial energy requires transportation, power, population, wages, supplies and in return will add vital substance to the lifeblood of the nation.

There will be in Canada and the United States a great deal of venture capital available for investment during the early post-war period, substantial amounts of which will no doubt be attracted to Canadian mining.

If these funds are entrusted to dependable and experienced men, Canada over the years will be enriched by the new wealth produced and by the labour and supplies so used.

To this end it is desirable that supervision of the channels through which such money is invested be afforded by the Government.

May I say in conclusion that while in the post-war years Canada will be confronted with serious and difficult problems, when we compare our lot with that of other countries and take into consideration the rich background of our natural resources, we cannot but be conscious of and profoundly thankful that we are one of the most favored nations of the world. We are populated by a virile and resourceful people who have a deep appreciation of the lasting values of initiative and individual enterprise. With the application of sound principles to our problems and fair dealing to all, we can face the future with confidence.

B. S. VANSTONE GENERAL MANAGER'S ADDRESS

Mr. Chairman and Gentlemen:

The Eighty-Ninth Annual Statement submitted today covering the Bank's operations for the year ended November 30th, 1944, will, I feel sure, be regarded by you as a satisfactory one.

Profits

After providing for all bad and doubtful debts as well as all contingencies which can be foreseen, the contribution of $250,000. to Officers' Pension Fund and Federal taxes of $687,965., net profits amounted to $1,146,271., an increase of $66,463. compared with those of the previous year. From this amount, $150,000. was written off bank premises, and after paying the regular dividend of $600,000., being at the rate of $1.00 per share, there remained a balance of $396,271. to be added to Profit and Loss Account, which now stands at $1,486,609.

The Bank's contribution to Officers' Pension Fund this year was increased by $100,000. by reason of the fact that the yield on Trustee securities, to which the Fund's investments are restricted, is considerably lower than formerly. The amount written off Bank Premises, on the other hand, was $100,000. less than usual, in view of the conservative figure at which our premises are now carried.

Total Assets

For the first time in the history of the Bank, total assets crossed the 300 million dollar mark and at $302,040,000. show an increase of $41,965,000. for the year. It is worthy of note that our total assets are now more than double those of 1938.

The liquid position of the Bank is very strong; $234,251,000. (or 82.94% of all liabilities to the public) being held in cash or assets readily convertible into cash. Cash and balances with other banks, including our deposit in the Bank of Canada, amount to $46,298,000.

Securities

Investments in securities, $182,987,000., show an increase of $43,464,000.

As now required by the Bank Act, Dominion of Canada direct and guaranteed securities are shown separately in our statement. Over 89% of our portfolio is invested in these securities, which total $163,828,000., an increase of $42,256,000. Those which mature within two years total $72,318,000., while $91,510,000. are of moderately longer dating.

Provincial securities, $13,034,000., and Canadian Municipal and other securities, $6,124,000., are approximately 7% and 3% of our investments.

Call Loans

Call loans, $4,965,000., all in Canada, are higher by $2,593,000.

Current Loans and Discounts

Current loans, $60,673,000., show a slight increase of $329,000.

It is the aim of the Bank to employ a larger proportion of its deposits in current loans, and we welcome opportunities to extend credit facilities to agriculture and to commercial enterprises both large and small.

Municipal Loans

Loans to municipalities total $2,658,000., a decrease of $272,000. It is encouraging to note the improvement in the position of our municipalities due to greater efficiency in the handling of their affairs, curtailment of expenditures and more prompt tax payments. As a result they should in the post-war period be able to make necessary capital expenditures and thus create increased employment.

Bank Premises

At $2,770,000. these show no material change.

During recent years only expenditures necessary to provide adequate service to our clients have been made and consequently considerable work will have to be undertaken as soon as conditions permit and labour and materials are available. Plans in connection with our post-war building programme are now receiving consideration.

Notes in Circulation

These total $1,046,000., a reduction of $246,000. The amount is gradually reducing since, as required by the Bank Act, the issuance of further notes by the chartered banks has been discontinued.

Deposits

Total deposits, $277,074,000., increased $41,563,000., which is quite good considering the heavy withdrawals again made for investment in Victory Loan Bonds.

Deposits from the public amounted to $221,010,000., an increase of $34,513,000. Non-interest-bearing deposits, $80,592,000., were up $4,914,000., while interest-bearing deposits, $140,418,000., increased $29,598,000., or nearly 27%.

Dominion and Provincial Government deposits, $56,064,000., increased $7,050,000.

Branches

During the year a branch was opened at Yellowknife, North West Territories.

Inspections

All branches of the Bank were inspected during the year by the Bank's Inspecting Officers and the shareholders' auditors made the customary audit of cash, securities and loans at head office and the principal branches at Toronto, Montreal, Winnipeg and Vancouver.

Staff

It is a great pleasure to pay tribute again to our Staff and to record our appreciation of their exceptional loyalty and untiring efforts during this difficult and trying period.

The senior officers, in addition to their own increased duties and responsibilities, have had the further task of training new staff and are deserving of special commendation for what they have accomplished in this respect.

Many of our present staff have had only limited experience but they have applied themselves diligently and, with the supervision and assistance of the senior officers already referred to, have enabled us both to perform the special war-time functions assumed and to maintain our customary standard of service to the public.

The total staff numbers 1,576, of whom 66% are women. Over 500 are serving with the Armed Forces and of them we are justly proud. They are, of course, merely on leave of absence and all are assured not only of a position but a warm welcome on their return. There will be appropriate adjustments in salary for the time they have been away and we plan to afford them every assistance in re-establishing themselves. The standing of these members of the staff in the Pension Fund and Group Insurance Plan continues to be maintained at the Bank's expense and a Christmas bonus of $25 was sent to each one of them again this year.

Five of our men have during the year brought distinction to themselves and to the service, being awarded the Distinguished Flying Cross, and we congratulate them on this signal honour.

A year ago I mentioned that twenty-one of our gallant young men had given their lives, and it is with profound regret that I have to record that another six made the supreme sacrifice during the past year. To their relatives and friends we extend deepest sympathy. Nine, we are sorry to say, are reported missing and six are still prisoners of war.

Bank Act Revision

Last year marked the decennial revision of the Bank Act and although there was considerable discussion, the changes therein were of a comparatively minor nature and were made principally to enable the banks to grant credit more freely.

The Government passed the following other legislation which should also be of assistance in the financing of agriculture, trade and commerce: Farm Improvement Loans Act; National Housing Act; Export Credits Insurance Act; Industrial Development Bank Act.

Inner Reserves proved a contentious subject when the renewal of the charters of the banks was under consideration and therefore a few comments may be of interest.

The Directors and management of the bank are trustees of the money placed in their care by depositors, and safety of these funds is of first importance. Losses are bound to occur in banking just as in any other business and inner reserves are necessary in order to write down loans and other assets to their realizable value in accordance with the provisions of the Bank Act, as well as to provide some measure of protection for unforeseen contingencies. They must be adequate otherwise the safety of the institution might be jeopardised in times of stress. If they are insufficient an ultra-conservative loaning policy would be essential, which would be detrimental to business and industry. This would undoubtedly have a retarding effect upon the development of Canada. At no time were reserves more necessary than at present as the change-over of industry in due course to peace-time production will require a liberal lending policy on the part of the banks.

It has been the continuous policy of this Bank for many years, in fact during its entire history, to evaluate all assets yearly, setting up on a conservative basis ample but not excessive reserves.

With improved conditions in recent years recoveries from debts written off and from appropriations for doubtful debts set up in former years and not required, have been sizable, materially increasing profits. As these appropriations were set up when taxation was much lower than at present, the result has been a large increase in the amount paid to the Government in the form of taxes. In the past four years your Bank has paid Federal taxes of $3,917,000., an average of over $975,000. annually compared to $328,000. in 1939, but in so doing we have had the satisfaction of knowing that we have borne a full share of the tax burden of our country.

In 1944 our taxes were considerably less than in the previous year due to a higher standard profit tax base and smaller recoveries.

To win the war remains our first and paramount objective and with this nothing must interfere or cause us in any way to relax our efforts. Nevertheless, as our armies and their Allies bring the day of victory nearer, we at home should be preparing for the post-war period, working with the same spirit, resourcefulness and unity of purpose which have been so evident throughout these years of strife. That industry and agriculture will meet with difficulties in the process of changing over to peace-time production is inevitable, and we desire to assist our customers in every way possible—with advice and guidance and by way of loans for conversion and expansion. Vision, courage and determination will be required by individuals and corporations alike to overcome the problems and difficulties ahead, but I am confident that we as a nation shall be equally as proud of our record in the post-war years as we have been of our accomplishments during the years of conflict.

THE BANK OF TORONTO

Head Office - Toronto

89th Annual Statement

30th November, 1944

PROFIT AND LOSS ACCOUNT

Profits for the year ending 30th November, 1944, after providing $250,000.00 for Staff Pension Fund, $687,965.38 for Dominion Taxes and making appropriations to contingent accounts out of which accounts full provision for bad and doubtful debts has been made	$1,146,271.11
Written off Bank Premises	150,000.00
	996,271.11
Dividends	600,000.00
Balance of Profits carried forward	396,271.11
Profit and Loss Balance 30th November, 1943	1,090,338.35
Profit and Loss Balance 30th November, 1944	1,486,609.46

ANNUAL BALANCE SHEET

LIABILITIES

Notes in Circulation		$ 1,046,323.00
Deposits by and balances due to Dominion Government	$ 51,979,338.31	
Deposits by and balances due to Provincial Governments	4,085,057.08	
Deposits by the public not bearing interest	80,592,189.00	
Deposits by the public bearing interest, including interest accrued to date of statement	140,418,072.54	
		277,074,656.93
Deposits by and balances due to other chartered banks in Canada	593,026.47	
Deposits by and balances due to banks and banking correspondents elsewhere than in Canada	2,451,489.25	
		3,044,515.72
Acceptances and Letters of Credit outstanding		1,237,460.93
		282,402,956.58
Capital paid up	6,000,000.00	
Reserve Fund	12,000,000.00	
Dividends declared and unpaid	150,735.50	
Balance of profits as per Profit and Loss Account	1,486,609.46	
		19,637,344.96
		$302,040,301.54

ASSETS

Gold and Subsidiary coin held in Canada	458,661.18	
Notes of Bank of Canada	7,136,203.00	
Deposits with Bank of Canada	21,916,881.19	
Notes of and Cheques on other banks	11,475,130.61	
Government and bank notes other than Canadian	207,222.09	
Due by banks and banking correspondents elsewhere than in Canada	5,104,518.75	
		$ 46,298,616.82
Dominion Government direct and guaranteed Securities maturing within two years, not exceeding market value	72,317,658.92	
Other Dominion Government direct and guaranteed Securities, not exceeding market value	91,510,398.55	
Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value	4,851,865.23	
Other Provincial Government direct and guaranteed Securities not exceeding market value	8,182,937.32	
Canadian Municipal Securities, not exceeding market value	1,228,410.75	
Other Bonds, Debentures and Stocks, not exceeding market value	4,896,161.80	
	182,987,432.57	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	4,965,710.00	
		187,953,142.57
		234,251,759.39
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for	60,673,758.28	
Loans to Provincial Governments	146,030.81	
Loans to cities, towns, municipalities and school districts	2,658,150.27	
Non-Current Loans, estimated loss provided for	19,693.30	
		63,497,632.66
		297,749,392.05
Liabilities of Customers under acceptances and Letters of Credit, as per contra		1,237,460.93
Mortgages on Real Estate sold by the Bank		8,294.34
Bank Premises, at not more than cost, less amounts written off		2,770,269.91
Deposit with the Minister of Finance for the security of note circulation		64,935.25
Other assets not included under the foregoing heads (but including refundable portion of Dominion Government taxes amounting to $197,841.71)		209,949.06
		$302,040,301.54

F. H. MARSH,
President.

B. S. VANSTONE,
General Manager.

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of The Bank of Toronto:

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the branches, and report that the above statement of liabilities and assets as at the 30th November, 1944, is in accordance therewith, and in our opinion discloses the true condition of the Bank. We have verified the cash and the securities representing the Bank's investments held at the Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at certain of the important branches. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

TORONTO, 20TH DECEMBER, 1944

G. T. CLARKSON, F.C.A.
of Clarkson, Gordon, Dilworth & Nash
W. D. GLENDINNING, F.C.A.
of Glendinning, Jarrett, Gray & Roberts

We Manufacture
Envelopes
for every purpose
Barber-Ellis of Canada, Limited
TORONTO — BRANTFORD

Clothes by
Levy Bros.
At a time when economy counts, it pays to order clothes that, because of their fine fabrics and workmanship, will continue to look well and feel well long after other clothes are discarded.
Choose now from our collection of distinctive British materials.
LEVY BROS.
89 WEST KING STREET, TORONTO

SYSTEMATIC SAVING BEST
Determine the amount of money you intend to save, and budget your controllable expenses accordingly. We'll help you: Open a Savings Account with us. Your money will be available at any time it is required. When you subscribe to a war purpose or a government loan, issue your cheque and keep within your budget.
CANADA PERMANENT Mortgage Corporation
Head Office, 320 Bay St., Toronto
Assets Exceed $61,000,000.

Sellers Ltd. has declared an extra dividend of 20c. a share on the common stock, payable Feb. 1, 1945, to shareholders of record Jan. 15; ex-dividend Jan. 12. Similar bonuses have been paid each year since 1942.

Electrolux Corp. has declared a dividend of 25c. per share payable in U. S. funds on Jan. 30, 1945, to shareholders of record Dec. 30; ex-dividend Dec. 28. This is the first payment since Dec. 15, 1941, when 20c. per share was paid.

You Asked Us—

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

INCOME TAX

Interest Arrears

I hold a promissory note on which the interest has not been paid for a number of years. Both principal and interest, however, will be paid in full in 1945. What part of the interest will be taxable as income this year?

As you presumably did not report any of this interest as received in previous years' income tax returns, the total interest payments will be held subject to tax as part of your 1945 income.

Life Insurance Loans

Needing more capital for my business I borrowed on my life insurance policies, the proceeds of the loans being used entirely in the business. My bank holds the policies as collateral. May I deduct the amount of the premiums from my net income for income tax purposes?

No. The premiums cannot be deducted as a business expense, we are informed. You can, however, deduct the interest you pay on the policy loans as a business expense.

INVESTMENTS

Madsen Red Lake

Would you give me some information about the future possibilities of Madsen Red Lake Gold Mines?

Madsen Red Lake Gold Mines, despite an acute shortage of labor, remains in an excellent position for a postwar expansion of production and earnings. While labor shortage last October necessitated a reduction in milling rate from capacity of 400 tons daily to 300 tons daily, the tonnage of ore in reserve—and the indications of further ore remaining to be developed—are sufficient in themselves to justify the management in contemplating expansion of mill capacity to 800 tons daily after the war.

Earnings at present are running below the 10.2c. a share earned in the year ended Feb. 29, 1944, due to the decline in production, but after the war it is quite possible that the company may improve production and profits to the point where earnings will reach a level of around 25c. a share after all charges. Of course, even after hostilities end, some time may be required to place the mine in a state of development where a higher mill rate could be maintained and some years may elapse before the company achieves its full growth.

Ore reserves at the present time are sufficient for approximately five years' milling requirements on the basis of capacity operations. Development at depth has been returning favorable results and, with a larger supply of manpower available, there appears to be little doubt but what this reserve could be expanded considerably.

Stock Manipulation

With so many sharp movements in the prices of stocks on rumors, I have been wondering if there isn't some law against false rumors. Will you please advise?

There are laws but they are not strictly enforced.

Among protections to the public is Section 444 of the Criminal Code which reads:

"Every one is guilty of an indictable offence and liable to seven years' imprisonment who conspires with any other person by deceit or falsehood or other fraudulent means, to defraud the public or any person, ascertained or unascertained, or to affect the public market price of stocks, shares, merchandise or anything else publicly sold, whether such deceit or falsehood or other fraudulent means would or would not amount to a false pretense hereunder."

Misrepresentation in printed literature is also covered by sections 404 and 405 of the Criminal Code.

Laroma Midlothian

Would you kindly advise me what results have been secured by Laroma Midlothian Mines in its present program of work?

We are informed officially by Laroma Midlothian Mines that there have been no results of importance so far from the diamond-drilling program. Seven holes have been completed in the locality of the high-grade gold strike made last summer, but these have failed to pick up the downward extension of the rich gold-bearing zone. The whole situation is to be gone into again to determine plans for the future.

The high-grade surface gold showing is still there and its downward continuation has possibly escaped drill holes so far completed, but results from the first seven holes have been disappointing. With others securing gold showings in the same area, there should be a good chance that this property, site of the original gold discovery in the area, has some economic deposit. But this remains to be demonstrated. The company has a large sum of money in its treasury and no further financing is required at present.

Burns & Co.

Would you please give me information re bonds of Burns & Co.?

Burns & Co. 5% bonds due July 1, 1958, outstanding in the amount of $5,964,500 at Dec. 29, 1943, are the senior security of this company. In addition to the bonds the capitalization consists of $2,723,275 of capital stock, $233,834 of capital surplus, and $803,968 of earned surplus. Funded debt, consequently, represents a fairly heavy proportion of the company's capitalization.

Since Dec. 26, 1940, the company has retired $703,350 of its bonds. The number of times that bond interest has been covered after depreciation has been 2.74 for 1943, 2.63 for 1942, 1.48 for 1941, 0.77 for 1940, 0.64 for 1939 and a deficit in 1938. Sinking fund arrears amounted to $257,519 after Dec. 29, 1943, representing the payment due Jan. 1, 1943. The payment due Jan. 1, 1942, was paid during 1943.

Burns & Co. 5% bonds are callable in whole or in part, for sinking fund or otherwise, on any interest date on 60 days' notice at 101 and accrued interest to and including Jan. 1, 1951, and thereafter to maturity at the principal amount and accrued interest.

Since the start of the war the company's operating profit has shown yearly increases and its position has improved. The highest volume of production and sales in its history was recorded the year ended Dec. 29, 1943. Demands for its products should be good for a time after the war, but the long-term position of the company depends on Canada's ability to sell packing company products to the export market.

NEW WARTIME REGULATIONS

Oranges: WPTB Order No. A-1450, effective Dec. 30, provides regulations respecting the maximum price of oranges. Admin. of Fresh Fruit and Vegetables, E. J. Chambers.

Potatoes: WPTB Order No. A-1495, effective Jan. 2, revokes subsection (1) of Section 10 of Order No. A-1430 respecting the maximum price of potatoes. Admin. of Fresh Fruit and Vegetables, E. J. Chambers.

Edible Tree Nuts: WPTB Order No. A-1491, effective Dec. 26, amends Order No. A-989 respecting maximum prices of imported edible tree nuts. Admin. of Imported Grocery Items, A. S. May.

Metal Containers: WPTB Order No. A-1497, effective Jan. 2, further amends Order No. A-1153 respecting metal containers and closures. Admin. of Wood Products and Metal Containers, Arthur May.

Steel: WPTB Order No. A-1494, effective Jan. 2, revokes Order No. A-330 respecting critical steel and provides regulations for maximum prices. Admin. of Iron and Steel, F. B. Kilbourn.

Pork: WPTB Order No. A-1496, effective Jan. 2, further amends Order No. A-1391 respecting the maximum wholesale prices of pork products. Admin. of Meat and Meat Products, F. S. Grisdale.

Shipping Containers: WPTB Order No. 468, effective Jan. 2, revokes Order No. 344 as amended, which restricted the distribution and use of shipping containers. Chairman, D. Gordon.

Evaporated Milk: WPTB Order No. 469, effective Feb. 1, amends Order No. 401 respecting priority sales of evaporated milk. Chairman, D. Gordon.

Millwork: WPTB Order No. A-1480, effective Dec. 13, provides regulations respecting maximum retailers' prices for millwork in the Vancouver forest district. Timber Admin., A. H. Williamson.

Deliveries: WPTB Order No. A-1492, effective Dec. 26, revokes A-164 respecting deliveries of tobacco and confectionery in Ottawa, Hull and district by wholesalers to retailers; revokes A-491 as amended respecting deliveries of ice; revokes A-492 as amended respecting deliveries of bread and bakery products; revokes A-644 respecting deliveries of building and construction supplies and materials. Admin. of Services, J. R. Croft.

Doors: WPTB Order No. A-1482, effective Dec. 13, revokes Section 2 of Order No. A-1240 respecting maximum manufacturers' and wholesalers' prices for fir, cedar and sitka spruce doors produced on the Pacific coast. Timber Admin., A. H. Williamson.

Neckwear: WPTB Order No. A-1503, effective Jan. 5, provides regulations respecting the maximum price of men's or boys' neckwear. Admin. of Men's and Boys' Furnishings, A. Bradshaw.

Sugar Confections: WPTB Order No. A-1501, effective Jan. 8, amends Order No. A-957 respecting the packaging of chocolate and other sugar confections. Admin. of Cocoa, Confectionery and Allied Products, F. T. W. Saunders.

Used Cars: WPTB Order No. A-1489, effective Jan. 2, revokes and replaces Order No. A-1305 respecting maximum prices for used cars. Admin. of Motor Vehicles and Parts, E. R. Birchard.

Consumer Credit: WPTB Order No. 471, effective Jan. 15, alters regulations respecting consumer credit. Chairman, D. Gordon.

Pork: WPTB Order No. A-1391, effective Oct. 16, 1944, replaces Board Order No. 247 as amended by Board Orders Nos. 321 and 417 all of which have been revoked by the Board, respecting pork products. Admin. of Meat and Meat Products, F. S. Grisdale.

Meat Products: WPTB Order No. A-1498, effective Jan. 2, restricts the sale of certain canned sandwich spreads and potted meats. Admin. of Meat and Meat Products, F. S. Grisdale.

Fish: WPTB Order No. A-1490, effective Jan. 2, alters regulations respecting maximum prices for fresh, frozen, smoked and cured Pacific Coast fish and shell fish. Admin. of Fish and Fish Products, A. N. McLean..

Millwork: WPTB Order No. A-1481, effective Dec. 13, provides regulations respecting maximum manufacturers' prices for certain millwork manufactured in the Vancouver forest district for sale in British Columbia. Timber Admin. A. H. Williamson.

My Letter to the Shareholders of

Canadian Car & Foundry Co. LIMITED

● The management of your company has for some time been seriously considering the expenditure of large sums of money for plant expansion and rehabilitation.

● These expenditures have been alleged to involve anywhere from five to nine million dollars.

● The management have gone to the extent and expense of hiring an outside company to make a survey in this regard despite the fact that your company supposedly has first class engineers in their employ and is considered predominantly an engineering firm.

● I contend that the Annual Report should have mentioned the foregoing facts as this vital information was available before its publication. Shareholders are entitled to know, *not* only what has happened in the past, but what is being proposed for the future.

● If your Company's plants need these excessive expenditures after the large sums already spent during the last few years and are not in condition to compete in the post-war period with similar enterprises, I affirm there has been inefficiency in the present management.

● If your Company's plants are in competitive condition then the waste of time and thought at this stage, in even contemplating these excessive expenditures would also indicate inefficiency.

● On the basis of the outstanding common shares, your company has paid 50c dividend per share in 12 years or an average of 4.2c per annum.

● In the last 31 years since 1914, a total of only $2,072,442 has been distributed on the common which on the basis of the number of shares presently outstanding is $5.66 per share or at the rate of only slightly over 15c per annum.

● Surely the accomplishment of so very little for the shareholders in 31 years is abundant proof of the extravagance and inefficiency of the management.

● The enjoyment of a single year's good business has apparently affected the judgment of the present management to the extent that they feel that they have more money than they know what to do with. I contend, the retirement of as many preferred shares as possible, which would carry out the actual spirit of the agreement of the reorganization plan accepted by the shareholders in 1943 (and in which plan I took a great part in formulating and completing) should have been made.

● Personally I have no desire to hold office in your corporation. I have no desire to seek a directorship of your company. I have no desire to be sole fiscal agent of your enterprise. I have my own brokerage business which keeps me fully occupied and quite content. I feel that I have no training or qualification whatsoever to presume to accept office in one of the largest industrial concerns of the country.

● My only desire is to protect my many clients, both large and small, who have been quite substantial shareholders of your company for very many years by helping to install an able and efficient management which is not involved in any large outside corporate interests and who can devote their full time to a full-time job, and constitute a truly representative board.

● I urge you strongly to attend the annual meeting at 12.00 o'clock noon, January 31st, 1945, in the Assembly Room of the Royal Bank Building, 360 St. James St. West, Montreal. If you cannot attend, send your proxy to me, signed, dated and witnessed. If you have already forwarded your proxy to the present management you are entitled to change your mind and a later dated proxy nullifies any previous proxy signed by you. Any shareholder who has not received a proxy form from me can obtain one by applying to me at my office.

● It is possible you may no longer be a shareholder of the company but I have been compelled to use an old shareholder's list as the management refused to furnish me with a current list even though I have offered to pay for it, or allow my staff to examine it for more than one hour per day.

Yours faithfully,

A. KIRBY,
FAIRBANKS, KIRBY & CO.
1121 Royal Bank Building,
360 ST. JAMES ST. W., MONTREAL
Tel. BE. 1941

HARRY G. STANTON H. WILLIAM HATCH *D'ALTON McCARTHY
S. C. HETHERINGTON KENNETH B. ANDRAS
Our Monthly Bulletin Current Investment Returns with *suggestions on market trend*, sent on request.
STANTON, HATCH & McCARTHY
Members Toronto Stock Exchange
AD. 9151 601-320 Bay Street
Member on Active Service.

THE ONTARIO LOAN AND DEBENTURE CO.
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1943) $13,184,162

CANADIAN BANK NOTE COMPANY
LIMITED
STEEL ENGRAVERS AND PRINTERS
of
Bank Notes, Bonds, Stock Certificates, Postage and Revenue Stamps and all Documents of a Monetary Character.
Head Office: 224 Wellington Street, Ottawa
Branch 25 King Street West, TORONTO
Branch 360 St. James Street West, MONTREAL
BUY WAR SAVINGS STAMPS AND CERTIFICATES

The First Mortgage and Collateral Trust Sinking Fund Bonds Series "H" referred to herein are being offered in Canada, but not in the United States of America. This advertisement is not, and under no circumstances is to be considered as, an offering of any of these Bonds for sale in the United States of America or the territories or the possessions thereof or an offering to any resident of the United States of America or a solicitation therein of any offer to buy any of these Bonds.

REFUNDING ISSUE

$18,761,000

The Shawinigan Water and Power Company

First Mortgage and Collateral Trust Sinking Fund Bonds
Series "H", 3½%

To be dated January 1, 1945 **To be due January 1, 1970**

Principal and half-yearly interest thereon, January 1 and July 1, and redemption premium, if any, payable in lawful money of the Dominion of Canada at the principal office of the Company's Bankers in the Cities of Montreal or Toronto at the option of the holder. Redeemable prior to maturity in whole at any time or in part by lot from time to time, on at least 30 days' prior notice at the following percentages of principal amount, with accrued interest to the date fixed for redemption: at 103% if redeemed on or before January 1, 1955; at 102% if redeemed thereafter on or before January 1, 1960; at 101% if redeemed thereafter on or before January 1, 1965; at 100½% if redeemed thereafter on or before January 1, 1968; and at 100% if redeemed thereafter to maturity. Coupon Bonds, registrable as to principal in Montreal and Toronto, in interchangeable denominations of $1,000 and $500.

Trustee: Montreal Trust Company

In the opinion of Counsel, these Bonds will be a legal investment for Insurance Companies registered under The Canadian and British Insurance Companies Act, 1932 (Dominion) as amended.

The proceeds of sale of this issue of Series "H" Bonds will be applied toward the retirement of the First Mortgage and Collateral Trust Sinking Fund Gold Bonds, Series "D" 4½% which are to be called for redemption.

Descriptive Circular will be furnished on request

PRICE: 100 and Accrued Interest

We offer these Bonds if, as and when, issued by The Shawinigan Water and Power Company and accepted by us, subject to the approval of all legal matters, on behalf of the Company, by Messrs. MacDougall, Scott, Hugessen & Macklaier, who will also act for the Underwriters.

Subscriptions will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close subscription books at any time without notice. It is expected that Trustee's Interim Certificates, exchangeable for Definitive Bonds of the Company when available, will be ready for delivery in Montreal and Toronto, on or about January 23, 1945.

The Dominion Securities Corporation Limited

Wood, Gundy & Company Limited	A. E. Ames & Co. Limited	Collier, Norris & Quinlan Limited
Nesbitt, Thomson & Company Limited	Royal Securities Corporation Limited	L. G. Beaubien & Co. Limited
McLeod, Young, Weir & Company Limited	Greenshields & Co. Inc	Savard, Hodgson & Co. Inc.
W. C. Pitfield & Company Limited	Bell, Gouinlock & Co. Limited	Mills, Spence & Co. Limited
Cochran, Murray & Co. Limited	Kerrigan, MacTier & Co. Limited	Midland Securities Limited
Gairdner & Company Limited	Matthews & Company	Burns Bros. & Denton Limited
René-T. Leclerc, Inc.	James Richardson & Sons	McTaggart, Hannaford, Birks & Gordon Limited
Société de Placements Inc.	Mead & Co. Limited	Milner, Ross & Company
Brawley, Cathers & Company	Charles H. Burgess & Company	R. A. Daly Co. Limited
Canadian Alliance Corporation Limited	Anderson & Company	Mackenzie & Kingman
J. C. Boulet Limitée	Lagueux & DesRochers Limitée	Oscar Dubé & Cie, Inc.
La Corporation de Prêts de Québec	J. E. Laflamme Limitée	Garneau, Boulanger, Limitée
Eastern Securities Company Limited	Hamel, Fugère & Cie, Limitée	Clément, Guimont, Inc.
F. J. Brennan & Company Limited	T. M. Bell & Company Limited	

The statements contained herein are based upon information which we believe to be reliable but are in no event to be construed as representations by us.

January 16, 1945.

THE WEEK'S QUOTATIONS

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING JANUARY 16

Range 1944-45 High	Low	Div R'te $	Jan13 Y'ld %		Sales	Last Jan. 9	Week end. Jan. 16 H	L	Cl'se
5¼	2¼	.	...	Abitibi	6275	3¼	3¼	3¼	3¼
53½	27	.	...	Do. pref. 6%	4540	50⅞	51⅞	49	49½
159	58	.	...	Do. pref. 7%	564	152	159	155	158
11¼	5¼	.	...	Acme Glove	765	9½	11	9½	11
92	72½	6½	7	Do. pref.	50	90	90	90	90
20¼	12½	.	...	Agnew Surp.	25	20¼	20	20	20
115	112	7	6.1	Do. pref.	100	113	114½	112½	113½
18¼	8¼	.	...	Algoma Steel	3535	18¼	18¼	18	18¼
99	89	5	5.1	Do. pref.	255	99	98½	98	98½
102½	96½	5	4.9	Alum of Can p	295	101	101½	100⅞	101

Range 1944-45 High	Low	Div R'te $	Jan13 Y'ld %		Sales	Last Jan. 9	Week end. Jan. 16 H	L	Cl'se
12	7	.25	...	Donnacona P.	4654	11⅞	12	11⅞	11⅞
10¼	7	.	...	Dryden Paper	5115	9½	10¼	9½	10
21	10	.	...	East Koot Pr p	45	14	21	14	21
15¼	13	.	...	East Steel	95	14¼	15	15	15
14	8	.	...	Easy Washing	25	13¼	14	14	14
36½	29	.	...	Economic Inv.	10	36	35½	35½	35½
14¼	8	.	...	Electrolux	160	13¼	13¼	13¼	13¼
10¼	4½	.	...	Enam. & Heat.	275	7¼	7¼	7¼	7¼
24½	19	.	...	English Electric	30	24½	24	24	24
7½	2½	.	...	Do. (B)	165	7¼	7½	5	7½

Range 1944-45 High	Low	Div R'te $	Jan13 Y'ld %		Sales	Last Jan. 9	Week end. Jan. 16 H	L	Cl'se
30	17	.	...	South Invest	3631	20	23	22	22
3½	2	.	...	St. Law. Corp.	5630	2⅞	3¼	3	3
22	13	1	...	Do. (A)	1585	19½	20	19½	19½
35	32	1.40	4.2	St. Law. Flour.	190	33½	34	33	33½
68	45½	3	5.3	St. Law. Pap. p	2098	63	68	65	64½
31	19	.	...	Stand. Chem.	155	30	31	30	31
5	2½	.	...	St. Pav. & Mat.	1050	4	4¼	4	4¼
15	10½	.	...	Do. pref.	285	14½	15	14	15
8½	5¼	.40	5	Stand. Radio	45	8	8	8	8
34	23½	.	...	Stedman Bros.	25	34	34	34	34
70	62	3	4.4	Steel of Canada	400	70	70	69	70

Range 1944-45 High	Low	Div. Rate $	Jan. 13 Yield %	Company	Sales	Last Jan. 9	Week Ending Jan. 16 High	Low	Close
.24	.05	.....	....	Jack Waite	26,000	.12	.18	.13	.16
.41	.23	.....	....	Jason Mines	20,520	.30	.30	.29	.30
.07½	.04	.....	....	Jellicoe	4,700	.06½	.06½	.06	.06
.05	.01	.....	....	J. M. Cons.	500	.03½	.04	.04	.04
.15	.03	.....	....	Joliet Que.	1,000	.07½	.08	.07½	.08
12.50	8.75	*.15	....	K. Addison	5,837	11.85	12.00	11.75	11.85
.25	.10	.....	....	Kerr Lake	200	.20	.20	.20	.20
.18	.03½	.....	....	Kirk. Gold	5,500	.08	.08	.07	.08
1.20	.90	*.02	....	Kirkland L.	16,600	1.04	1.06	1.03	1.03
.19	.10½	.....	....	Kirk. Towns	2,500	.12	.15	.15	.15
.39	.24½	.....	....	Kootenay B	4,100	.25	.26	.26	.26

Oil Stocks

Range 1944-45 High	Low	Div. Rate $	Yield %	Company	Sales	Last Jan. 9	High	Low	Close
.70	.37	.....	....	Okalta	4,400	.45	.50	.45	.48
.20	.02	.....	....	Pacalta	18,493	.12½	.14	.12½	.13
1.07	.40	.....	....	Pacific Oil	61,000	.53	.55	.50	.52
.70	.43	.....	....	Pac. Pete.	10,000	.58	.60	.56	.60
.06½	.03	.....	....	Royal Can.	1,500	.04	.04	.03½	.03½
22.00	17.50	1.00	....	Royalite	833	21.00	21.00	20.00	20.25
.04½	.02½	.....	....	South End	29,500	.03	.04	.03	.03½
.12	.04½	.....	....	United Oils	1,000	.09½	.09½	.09½	.09½
.09½	.05½	.....	....	Vanalta	3,700	.08½	.09½	.08½	.09½
.26	.06	.....	....	Vermilata	1,228,350	.22	.26	.20½	.23

* Yield including bonus to date. † Paid in 1943. ▼ Paid or payable in 1944

Volume of Stock Sales

	Montreal	Toronto	Vancouver
	Total Volume		
Jan. 16	44,900	863,000	......
Jan. 15	49,400	797,000	......
Jan. 13	34,600	486,000	......
Jan. 12	64,400	1,006,000	......
Jan. 11	72,500	1,660,000	......
Jan. 10	79,700	1,216,000	164,448

STOCKS NOT TRADED THIS WEEK

	Div. rate $	Last sale	Jan. 16 Bid	Ask
Sturgeon River	...	.20½	.20	.22½
Sudbury Basin	...	4.35	..	..
Sudbury Contact	...	.05	.04½	.06
Sunlock	...	.27	..	..
Uchi Bonds	...	35.00	35.00	35.00
Wellington	...	.01½	.01½	.01½
Wendigo	...	.30	..	..
Winnipeg R. Tin	...	.02	.00½	.01½

Oil Stocks

	Div. rate $	Last sale	Jan. 16 Bid	Ask
Brown Oil	...	.11	..	..
Dalhousie	...	.34	.30	.35
Davies Pete	...	.13	.11	.14
Grease Creek	...	.02½	.01	..
Madison	...	.02	..	..
Mercury	...	.07	.06½	..
Mill City	...	.07½	.07	.08
Model	...	.17	.16	.20
National Petrol.	...	.12½	..	.14
Nordon	...	.08	..	..
South West Pete	...	.17	.17	.25
Spooner	...	.15	.13	.18
Sunset	...	.07½	.06	..
Texas Can.	...	1.25	..	..
Trans. Alta.	...	.12	..	..
Vulcan	†.01	.18	.20	..

▲Paid or payable in 1944.

Investment Trusts

	Bid	Asked
Affiliated Funds	4.09	4.47
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.05	4.40
Can. Investors	5.50	6.75
Com. Intern.	3.08	3.42
Corporate Inv.	7.20	7.75
Trans-Canada (A)	11.10	...
Do. (B)	...	11.00

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Atlantic Sugar	4%	1951	Mar. 1	102
Galt Brass	5%	1950	Feb. 1	105
United Amuse.	5%	1956	Feb. 1	102¾
Eaton Realty	4%	1951	Jan. 29	100
Rio de Janeiro Tr.	5%	1958	Apr. 1	Par.

‡$100,500. ▲$236,000. *£100,000. †$35,000.

Annual Meetings

1945	Company	Place
Jan. 23	Brandram Henderson	Montreal
Jan. 23	Confederation Life Ins.	Toronto
Jan. 24	Kelvinator of Canada	London
Jan. 25	Continental Life Ins.	Toronto
Jan. 25	Excelsior Life Insur. Co.	Toronto
Jan. 25	Guaranty Trust Co.	Windsor
Jan. 26	Foreign Pr. Securities	Montreal
Jan. 26	Crown Life Insurance	Toronto
Jan. 26	Western Life Assce.	Hamilton
Feb. 1	Mutual Life Assce. Co.	Waterloo
Feb. 5	Equitable Life Ins.	Waterloo
Feb. 6	Great-West Life Assce.	Winnipeg
Feb. 7	Belding-Corticelli Ltd.	Montreal
Feb. 7	Toronto General Trusts	Toronto
Feb. 7	Toronto Mortgage	Toronto
Feb. 12	Montreal C. & D. Sav.	Montreal
Feb. 13	Canadian Fire Insur.	Winnipeg
Feb. 13	Can. Indemnity Co.	Winnipeg
Feb. 13	Royal Trust Co.	Montreal
Feb. 13	Sun Life Assurance	Montreal
Feb. 14	Brockville Tr. & Sav.	Brockville
Feb. 14	Huron & Erie Mortgage	London
Feb. 14	Northern Trusts Co.	Winnipeg
Feb. 14	Ontario Loan & Deb. Co.	London
Feb. 22	Bell Telephone Co.	Montreal

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)
Jan. 16, 1945

Municipal Bonds

Jan. 16, 1945

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	120.00	123.00	3.20
Hamilton	5	1950	109.00	112.00	2.57
Montreal	3	1950	98.00	101.00	2.81
Ottawa	3	1953	101.25	103.75	2.50
†Quebec	5	1959	118.25	121.25	3.16
Saint John	5	1950	107.00	110.00	3.15
†Toronto	4½	1955	123.25	126.25	1.64
†Vancouver	5	1970	121.50	124.50	3.51
Winnipeg	6	1950	111.00	114.00	3.16

† Payable Canada & New York.

Corporation Bonds Cont'd

Legare	6	'61	99½	102½	99½
Maple L. M.	5½	'58	101	103	101
Man. Sugar	5	'60	106½	108½	106½
Massey-Harris	4½	'54	102½	104½	102½
McColl-Fron.	4½	'49	102½	104½	102½
McCormicks	4	'52	101½	103½	101½
Do.	4½	'52	101½	103½	101½
Mercury Mills	5	'59	100½	103½	100½
Mersey Paper	5	'57	100½	...	100½
†Do.	6	'49	100½	...	100½
*M. & O. Paper	5	'60	114	116	114
Moirs Ltd.	6	'53	100½	...	100½
‡Mtrl. Drydocks	6	'48	97	100	97
Montreal Apts.	4	'54	85½	88½	85½
N.S. Stl. Coal	3½	'63	91	94	91
Price Bros.	5	'57	103½	106	103½
*Prov. Paper	5½	'47	110½	112½	110½
Reliance Grain	4½	'52	99½	102½	99½
Rolland Paper	4½	'51	101½	...	101½
Silv. Dairies	6	'66	101½	104	101½
Simpsons, Ltd.	4½	'51	100½	103	100½
Smith, Howard	4½	'51	102	...	102½
United Amuse.	5	'56	102½	...	102½
United Corp.	4	'58	100	103	100
United Gr. Grs.	4½	'58	100	103	100
†Western Grain	5	'63	86	89	86½

* Payable in Can. or U. S.
† Payable in Can., U. S. or U. K.
* Payable in U. S.
♦ Payable in Canada only.
‡ Traded without accrued interest.
▲ Payable in Can. or U. K.

Dome Mines reports bullion production of $402,354 from 44,700 tons treated, an average of $9 per ton in Dec., 1944, as against $401,137 from 43,200 tons, an average of $9.28 per ton in Nov., 1944, and $474,240 from 43,800 tons treated, an average of $10.38 in Dec., 1943.

Government Bonds

Jan. 16, 1945 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask.
Dom. Guarant'd Bonds — Can. Natl. Railways:			
3	Dec. 1950	101	102
3	Jan. 1959	99⅞	100⅞
4½	Sept. 1951	123 1/3	...
4½	Feb. 1956	126½	...
4½	July 1957	127⅞	...
3	Feb. 1953	102	103
4¾	June 1955	128½	...
5	Feb. 1954	116½	117½
5	Oct. 1969	127½	...
5	Feb. 1970	127½	...
Can. Natl. W. Ind. S.S.:			
5	Mar. 1955	129½	...
Grand Trunk Pacific Rly.:			
3	Jan. 1962	110½	112½
Provincial Gov't Bonds — New Brunswick:			
4	Nov. 1947	111	113
3	Oct. 1951	98½	100½
3½	Aug. 1949	99½	101½
3½	June 1956	100⅞	102⅞
4½	Apr. 1961	121	123
5	Jan. 1960	126	128
Nova Scotia:			
3	Jan. 1952	99½	101½
3½	June 1956	100⅞	102⅞
3½	Nov. 1950	102½	104½
4½	Sept. 1952	116	118
4½	Nov. 1960	124	126
5	Mar. 1960	129	131½
Ontario:			
2½	May 1945	100	101½
3	Apr. 1948	100½	102
3	Nov. 1950	101½	102⅞
3½	Nov. 1951	102½	104
3½	May 1955	102½	104
4	June 1962	122	124
4½	June 1950	109½	110½
4½	Jan. 1962	130	132
5	Oct. 1948	109	110½
5	Dec. 1960	134	137
5½	July 1946	104½	105⅞
Ont. Hydro Commission:			
3	Aug. 1943	100½	101½
3½	Feb. 1953	102½	103½
3½	Apr. 1947	102½	103½
Prince Edward Island:			
4	Mar. 1954	103	105
Quebec:			
3	Nov. 1947	100½	101⅞
3½	Mar. 1948	100½	102½
3½	Mar. 1959	101½	103½
4	Nov. 1952	103½	105½
3¾	Feb. 1955	102½	104½
4½	Aug. 1958	108⅞	111½
4½	Jan. 1963	113⅞	116½
Alberta:			
4½	Oct. 1956	94½	97½
4	Dec. 1954	92	94
5	Oct. 1959	96	98
5½	Apr. 1952	95½	98½
6	Mar. 1947	92½	95½
British Columbia:			
4	Dec. 1957	116½	118⅞
4½	Jan. 1951	118½	120⅞
4½	Oct. 1953	119½	121⅞
5	Apr. 1954	123⅞	126½
5½	Feb. 1945	99⅞	101½
6	Feb. 1947	105	106½
Manitoba:			
4	Dec. 1957	110⅞	113½
4½	Dec. 1956	115½	118
5	Dec. 1959	120	123
5½	Oct. 1955	115½	118
6	Apr. 1947	104	106½
Saskatchewan:			
4	Sept. 1954	84	87
4	Nov. 1960	83½	86½
4½	Oct. 1951	96½	99½
4½	Mar. 1960	89½	92½
5	Aug. 1956	92	95
5½	Oct. 1952	95½	98½
6	Mar. 1952	96½	99½

*Payable N.Y.

Unlisted Stocks

(Compiled from quotations provided by Kippen & Co. Inc., Plaxton, McDonnell & Co. and Kamm, Garland & Co., Ltd.)
January 15th, 1945

	Bid	Asked
Allens Toronto units	35.00	....
Anglo Can. Telephone A	9.50	10.50
Atlas Steels com.	39.00	41.00
Atlas Steels pfd.	106.00	108.50
British Mortgage and Trust	138.00	....
B. C. Sugar	85.00	87.00
Canada Machinery com.	7.25	8.25
Canada Paving 1st pfd.	3.00	5.00
Can. Airways	3.25	....
Can. Fairbanks, c.	25.00	....
Can. Ing. Rand	61.00	63.00
Can. Investors Corp.	6.25	7.50
Canadian Motor Lamp A	8.00	9.00
Can. West. Lumber com.	1.35	1.65
Can. West. Nat. Gas pfd.	106.00	....
Capital Trust Co. $100 par	42.00	....
Capital Wire Cloth com.	5.50	7.50
Capital Wire Cloth pfd.	21.50	....
Cawthra Apts. units	3.50	5.00
Chase, A. W., units	26.50	29.50
Colonial Steamships com.	75.00	....
Commercial Finance com.	8.00	....
Commercial Life 10% pd.	7.00	9.00
Confederation Life Assoc.	130.00	140.00
Continental Life 20% paid	31.50	34.50
Crown Trust Co.	61.00	....
Detroit International Bridge	12.00	14.00
Dover Industrise Ltd.	8.00	9.00
Dunlop Tire pfd.	26.00	27.50
Eastern Steel Prod. pfd.	22.00	23.50
Empire Life Ins. 25% paid	14.50	16.50
Fed. Found. & Steel, new c.	2.00	2.75
Foreign Power Sec. pfd.	9.00	11.00
Galt Brass com.	16.00	....
Goderich Elevator & Trans.	12.25	14.00
Great Lakes Power pfd.	114.50	....
Great West Life	275.00	300.00
Guaranty Trust of N.A.	200.00	....
Guardian Realty pfd.	23.00	....
Guelph & Ont. Svgs., $50	51.00	55.00
Gurney Foundry pfd.	2.50	3.25
Hart Battery com.	6.50	7.50
Inter. Utilities $3.50 pfd.	55.00	58.00
Lambton Loan & Inv. $50	44.00	....
Loblaw Groc. Inc.	13.50	14.50
London & West. Trust $100	48.00	....
Manufacturers Life Ins.	255.00	270.00
Midland Loan & Svgs. $10	14.00	16.50
Monarch Life Assce. 20%	46.00	....
Monarch Mtge. units	2.00	3.00
Montreal Isld. Power pfd.	38.00	42.00
Montreal Trust Co.	66.00	73.00
Morrison Brass pfd.	12.00	14.00
National Drug & Chem. c.	4.00	5.00
National Hosiery pfd.	3.50	4.50
National Hosiery com.	2.00	....
New Brunswick Tel.	12.00	15.00
Northern Ont. Power pfd.	108.00	111.00
Ont. Tobacco Plant. units	18.00	22.00
Paramount Kitchener units	53.50	....
Premier Trust Co. $100	54.90	....
Provincial Paper pfd.	107.00	109.00
Prov. Bank of Canada	11.25	12.50
Prudential Trust Co.	3.00	5.00
Ruddy, E. L., pfd.	104.00	....
St. John Drydock pfd.	98.00	....
Sawyer, Massey com.	1.05	....
Seiberling Rubber com.	4.00	6.00
Sherbrooke Trust	130.00	....
Sincennes McNaughton T.	2.00	2.75
Sovereign Life Assce. 25%	26.50	30.00
Standard Fuel pfd.	90.00	95.00
Standard Fuel com.	2.00	....
Sterling Trust	81.00	....
Sun Life Assurance Co.	357.00	365.00
Third Can. Gen. Inv.	2.90	3.50
Toronto Carpet pfd.	78.00	....
Toronto General Ins.	5.50	6.50
Trusts & Guarantee $100	55.00	....
United Farmers Co-op.	3.00	4.00
United Steel A pfd.	25.50	27.00
Victoria Trust & Svgs.	92.00	....
Waterloo Mfg. com.	4.00	5.00
Wentworth Radio com.	1.25	2.00
Western Assurance com.	53.00	56.00
Western Grain com.	.75	1.25
Western Grain pfd.	36.50	39.50
York Trading com.	5.00	6.75

Unlisted Mines

Approximate quotations, 4 p.m., Jan. 16, subject to confirmation:

Significant Investors' Index Numbers

No. of Securities	Mach and equip. 10	Pulp and paper 7	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 8	Bldg. mater. 16	Power and traction 14	Banks 8	Total utilities 18	Total co's. 100
(Base 1935-39=100)												
*1935 to date: High	134.5	234.4	149.7	123.7	135.7	118.3	150.0	153.4	146.8	118.2	145.0	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1944: Monthly Figures:												
Jan.	108.7	111.2	94.6	75.0	119.7	89.8	142.3	86.1	94.8	78.3	99.4	81.8
Feb.	108.7	114.8	96.1	74.0	122.4	93.1	141.4	86.5	97.3	79.1	102.7	82.0
Mar.	108.9	116.9	97.6	72.2	121.5	93.8	152.8	88.4	95.1	79.3	100.4	84.5
Apr.	106.6	109.0	86.5	70.0	118.3	93.0	149.2	87.3	92.0	78.4	97.0	79.3
May	107.0	112.3	96.4	70.4	118.8	92.8	152.1	86.8	91.2	78.0	97.5	79.9
June	113.0	118.5	97.3	73.4	122.5	94.6	150.9	93.3	95.6	78.1	102.0	83.7
July	116.2	134.0	100.3	76.6	125.2	101.2	154.3	98.9	93.9	78.2	104.3	87.5
Aug.	117.3	135.2	100.7	74.6	127.3	103.2	154.5	97.2	92.9	85.6	101.5	86.8
Sept.	114.4	129.6	102.1	72.9	127.9	102.4	150.9	95.3	89.9	87.1	98.1	85.0
Oct.	116.6	136.0	101.0	72.8	129.4	101.1	156.3	96.8	89.6	88.7	100.0	86.3
Nov.	116.7	137.5	101.9	72.9	130.7	101.2	166.7	97.3	91.8	86.6	100.5	86.0
1944: Weekly Figures:												
Dec. 7	118.7	144.6	103.4	72.2	132.9	104.2	167.8	97.4	96.7	87.9	104.5	86.2
Dec. 14	120.9	145.2	106.6	72.0	134.1	104.2	171.0	99.5	96.8	88.4	106.7	87.2
Dec. 21	118.9	145.7	107.2	71.4	132.4	104.2	165.4	98.2	95.1	87.9	104.7	86.3
Dec. 28	119.0	146.3	109.6	73.1	134.1	104.2	167.6	99.4	95.2	88.1	105.5	86.8
1945: Jan. 4	121.3	150.2	109.9	73.7	133.8	106.6	175.5	102.7	99.8	88.3	108.7	89.1
Jan. 11	123.2	152.0	110.5	74.5	136.0	104.1	178.5	103.2	101.6	89.8	110.3	90.3

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index	20 Indust.	20 Golds	10 B.M.	15 W.O.
Jan. 16	134.32	110.56	73.72	27.53
Jan. 15	134.20	110.22	74.00	27.20
Jan. 13	134.56	110.28	74.20	27.72
Jan. 12	134.72	110.56	74.31	27.68
Jan. 11	135.01	110.82	74.37	27.76
Jan. 10	134.67	110.85	74.10	27.71
Month ago	132.02	107.90	72.60	27.18
Year ago	118.95	105.28	69.80	26.78
High 1944-45	135.01	114.60	77.15	29.61
Low 1944-45	116.63	99.54	67.37	25.17

Montreal Stock Exchange Average	10 Util.	20 Ind.	30 Chd.	10 Ppra.	15 Golds
Jan. 16	60.1	95.2	83.5	193.52	79.86
Jan. 15	60.1	95.1	83.4	193.50	79.61
Jan. 13	60.2	95.2	83.5	194.68	80.17
Jan. 12	60.3	95.0	83.4	195.06	80.17
Jan. 11	60.6	95.8	84.0	194.11	80.04
Jan. 10	60.6	95.7	84.0	194.17	79.45
Month ago	58.4	92.0	80.8	186.64	76.54
Year ago	54.7	77.0	69.6	132.78	79.81
High 1945	60.6	96.0	84.1	195.54	80.17
Low 1945	58.9	93.7	82.1	190.12	76.13

Wheat Prices

Winnipeg Grain Futures

Week of Jan. 16, 1945

Crop year from Aug. 1, 1944 High	Low		High for week	Low for week	Close Jan. 16
Oats*					
.51½	.51½	May	.51½	.51½	.51½
Barley*					
.64¾	.64¾	May	.64¾	.64¾	.64¾
Rye					
1.21½	1.10	May	1.21⅜	1.18⅜	1.19⅜
1.18⅝	1.01⅝	July	1.18⅝	1.15⅝	1.16¼
1.14¾	1.09½	Oct.	1.14¾	1.12¼	1.12½

*At ceiling.

Cash Quotations

For Week	Jan. 16 High	Low	Prev. Week High	Low
Oats*				
2 C. W.	.51½	.51½	.51½	.51½
3 C. W.	.51½	.51½	.51½	.51½
Barley*				
1 Feed	.64¾	.64¾	.64¾	.64¾
2 Feed	.64¾	.64¾	.64¾	.64¾
Rye				
2 C. W.	1.17¾	1.16½	1.17⅝	1.13⅝

*At ceiling prices.

Estimates Show Continuation Of Municipal Debt Reduction

Reduction in municipal debt continued during 1944, according to estimates of total municipal debt published in the Statistical Summary of The Bank of Canada for Oct.-Nov., 1944. This trend is one of the reasons for the scarcity of municipal bonds in the market and has been a factor in increasing their price and so lowering the returns available from this class of security.

The reduction since 1941 in the various provinces varies from a 26.1% reduction in Ontario to a 10.2% reduction in Quebec. Reduction for the Dominion averaged 16.9% in the three years.

Prov.	1941	1942	1943*	1944*	% Reduction since: 1941
P. E. I.	2.6	2.6	2.4	2.2	15.4
N. S.	22.8	21.6	20.0	18.5	18.9
N. B.	19.6	18.4	16.8	15.8	19.4
Que.	472.9	455.7	439.2	424.8	10.2
Ont.	329.1	294.9	271.5	243.3	26.1
Man.	66.4	59.1	54.0	51.0	23.2
Sask.	54.2	50.0	46.6	44.2	18.5
Alta.	46.9	44.2	41.5	39.3	16.2
B. C.	96.3	91.7	87.1	84.0	12.8
TOTAL	1,110.8	1,038.2	979.1	923.1	16.9

*Estimates based on sample municipal returns received by the Dominion Bureau of Statistics.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS
OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

	Date Issued	—Sold To—	Rate	Due	Amount	Price	Yield
Municipal—							
City of Edmonton, Alta.	Jan.		2½%, 3% & 3½%	Feb. '46-62	$3,500,000	2.50	3.50%
Provincial—							
Province of Quebec	Jan.		3%	Nov. '59	22,970,000	99.25	3.06%
Prov. of British Columbia	Jan.		2%, 2¼% 2½% or 3%	Feb. '46 60	3,920,000	99.171	.....
Dominion—							
Canada Treasury Bills	Jan.		....	Apr. '45	65,000,000	99.90756	.371%
Bond Issues—							
Blue Ribbon Corp.	Jan.		2½, 3% & 4½%	Dec. '45-54	750,000	100 99.50	4.54%
Shawinigan Water & Pwr.	Jan.	Dominion Secs. & Synd.	3½%	Jan. '70	18,761,000	100	

Dividends Declared

	This payment $	Date payable	Date of record
Aluminium	1.25	Feb. 1	Jan. 4
Anglo-Can. Tel. A	.15	Mar. 1	Feb. 9
Anglo-Can. Tel. pr.	.68¾	Feb. 1	Jan. 10
Anglo-Huronian	.10	Jan. 24	Dec. 29
Ault-Wiborg pr.	1.37½	Feb. 1	Jan. 15
Bank of N. Scotia	.25	Feb. 1	Jan. 16
Bank of Toronto	.25	Mar. 1	Feb. 15
Bathurst Pr. & Pap.	a.25	Mar. 1	Jan. 31
Beaver Lumber	a.50	Feb. 1	Jan. 10
Belding-Corticelli	2.00	Mar. 1	Jan. 31
B. C. Telephone 2 p.	1.50	Feb. 1	Jan. 17
Blue Ribbon 5% pf.	.62½	Feb. 1	Jan. 12
Caldwell Linen	.25	Feb. 1	Jan. 15
Do., 1st pref.	.38	Feb. 1	Jan. 15
Do., 2nd pref.	.20	Feb. 1	Jan. 15
Calgary Power	1.50	Jan. 31	Jan. 10
Can. Bronze	.37½&.50	Feb. 1	Jan. 10
Do., 5% pr.	1.25	Feb. 1	Jan. 6
Can. & For. Secs.	.06	Feb. 1	Jan. 17
C. Celanese Rights.	1.00	Mar. 15	Dec. 12
C. Cement 6½% p.	1.25	Mar. 20	Feb. 23
Can. South. Rly.	†1.50	Feb. 1	Dec. 28
Can. Bank Comm.	.15	Feb. 1	Dec. 30
Can. Converters	.75	Jan. 31	Dec. 15
Can. Food Prod.	.62½	Apr. 1	Feb. 28
Can. & For. Sec.	.06	Feb. 1	Jan. 17
Can. Invest. Fund	.04	Feb. 1	Jan. 15
Can. Investors	.10	Feb. 1	Jan. 5
Can. North. Pwr.	a.15	Jan. 25	Dec. 20
Can. Pacific 4% pr.	2%	Feb. 1	Dec. 29
Can. Packers A p.	.75	Apr. 2	Mar. 1
Do., B pf.	.35	Apr. 2	Mar. 1
Capital Trust	2.00	Mar. 1	Dec. 31
Celtic Knitting	.20	Feb. 5	Jan. 16
Coast Breweries	.03	Feb. 1	Jan. 13
Crown Cork & Seal	.50	Feb. 15	Jan. 22
Dairy Corp.	1.25&1.25	Apr. 1	Mar. 1
Dom. Bank	.20	Feb. 1	Jan. 15
5% pfd.	†1.25	Feb. 1	Jan. 16
Dom. Fabrics	.20	Feb. 1	Jan. 15
Do., 1st pref.	.75	Feb. 1	Jan. 15
Do., 2nd pref.	.37½	Feb. 1	Jan. 15
Dom. Malting	.20	Feb. 1	Jan. 2
Do.	.20	May 1	Mar. 31
Do.	.20	Aug. 1	June 30
Do. 5% pf.	1.25	Feb. 1	Jan. 2
Dom. Oilcloth	.30&.10	Jan. 31	Dec. 29
Dom. Scot. Invests 5% pf.	.50	Mar. 1	Feb. 1
Dom. Tar & Ch. p.	1.37½	Feb. 1	Jan. 3
Dom. Woollens	.12½	Feb. 1	Jan. 15
Donnacona Pap.	.25	Mar. 1	Jan. 15
East. Theatres	.50	Feb. 10	Jan. 15
Electrolux	†.25	Jan. 30	Dec. 30
Gen. Steel Wares p.	1.25	Feb. 1	Jan. 11
Hydro-Electric pf.	.25	Feb. 1	Dec. 29
Imperial Bank	.20	Feb. 1	Dec. 30
Inter City Baking	1.00	Jan. 31	Jan. 17
Intn'l Nickel pf.	†1¾%	Feb. 1	Jan. 2
Intnl. Metals pf.	1.50	Feb. 1	Jan. 10
Intn'l Utilities	†.37½	Mar. 1	Feb. 16
Lamaque Gold	.05	Feb. 1	Dec. 28
Laura Secord	.20	Mar. 1	Feb. 1
Mercury Mills	.20	Feb. 1	Jan. 15
Mtl. L., H. & Pwr.	.20	Jan. 31	Dec. 31
Northern Trusts	a1.00	Feb. 2	Jan. 15
O'Brien Gold	.05	Jan. 29	Dec. 28
Ont. Silknit	1.00	Jan. 25	Dec. 21
Ont. Steel	.25	Feb. 15	Jan. 15
Do., pfd.	1.75	Feb. 15	Jan. 15
Penmans	.75	Feb. 15	Jan. 15
Do., pref.	1.50	Feb. 1	Jan. 12
Photo Engravers	.50	Mar. 1	Feb. 15
Quebec Power	.25	Feb. 26	Jan. 25
Quinte Milk	.10+.05	Feb. 1	Jan. 20
Rolland Paper	.15	Feb. 15	Feb. 5
Do., pfd.	1.50	Mar. 1	Feb. 15
Sangamo, com.	.15	Feb. 1	Jan. 10
Saguenay Pwr. 5½% pf.	1.37½	Feb. 1	Jan. 15
Shawinigan Pwr.	.23	Feb. 26	Jan. 18
Simpsons 6½% pf.	1.62	Feb. 1	Jan. 4
Do.	.75	Mar. 15	Jan. 4
N. Slater	.50	Feb. 1	Jan. 10
Howard Smith	1.50	Jan. 29	Dec. 31
South Can. Power	.20	Feb. 15	Jan. 19
Standard Chem.	.50	Mar. 1	Jan. 31
St. Lawrence Flour.	.35	Feb. 1	Dec. 30
Do., 7% pf.	1.75	Feb. 1	Dec. 30
Steel of Can.	.75	Feb. 1	Jan. 8
Do., 7% pf.	.75	Feb. 1	Jan. 8
Teck-Hughes	.05*	Feb. 1	Dec. 28
Toburn Gold	.01	Feb. 23	Jan. 23
United Corp.	.38	Feb. 15	Jan. 15
United Distilleries	.10	Jan. 23	Jan. 11
Walk.-Good. & W.	1.00	Mar. 15	Jan. 16
Do., pf.	.25	Mar. 15	Feb. 16
Wood, A. & J. 1 pf.	1.75	Feb. 1	Jan. 15
Zeller's	.20&.20	Feb. 1	Jan. 15
Do., 6% pref.	.37½	Feb. 1	Jan. 15

a Subject to approval of Foreign Exchange Control Board.
† N. Y. funds. ≡Arrears.
* Net after corporate income tax.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.47	$11.45	$11.85
Hogs	17.77	17.85	17.10
Copper, lb.	*.12	.12	.12
Sugar, raw, lb.	*.0374	.0374	.0374
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	104.6	104.7	102.9
Dow Jones (fut.)	98.39	98.13	98.72
Fishers	114.3	114.2	112.3
Monthly Indices			
Canada (D.B.S.)			
Retail (Oct.)	118.6	118.8	119.3
W'sale (Oct.)	102.4	102.3	101.9
U. S. (Sept.)	104.0	103.9	103.1
Gr. Brit. (Aug.)	167.1	167.5	162.9

Note—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper - electrolytic. New York. No. 7 coffee, Rio Sugar 96 degrees centrifugal c/f New York.

*Ceiling prices fixed by the office of Price Administration.

DIVIDEND NOTICES

COMMOIL LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of ½ cent per share has been declared on the outstanding no par value shares of the Company, payable February 26th, 1945, to shareholders of record at the close of business February 10th, 1945.

The transfer books of the Company will not be closed.

By Order of the Board.

G. J. McKAY, Secretary.

January 11th, 1945.

GENERAL PETROLEUMS Limited

NOTICE OF DIVIDEND NO. 15

Notice is hereby given that a dividend at the rate of 6% per annum on the Preferred Shares (Par Value $100.00) will be paid by General Petroleums Limited on or about the 1st day of February to shareholders of record at the close of business on the 20th day of January, 1945.

By order of the Board of Directors.

Dated at Calgary, Alberta, this 10th day of January, 1945.

H. E. HOWARD, C.A., Secretary-Treasurer.

Transfer Agents:
The Trusts and Guarantee Co. Ltd.
Calgary, Alberta.

MERCURY MILLS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of twenty cents has been declared on the paid-up, no par value common shares of the Company for the quarter ended December 31st, 1944, payable February 1st, 1945, to shareholders of record at the close of business, January 15th, 1945, by order of the board.

J. J. McHARDY, Secretary.

Dated at Hamilton, January 9th, 1945.

PENMANS LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of January, 1945.

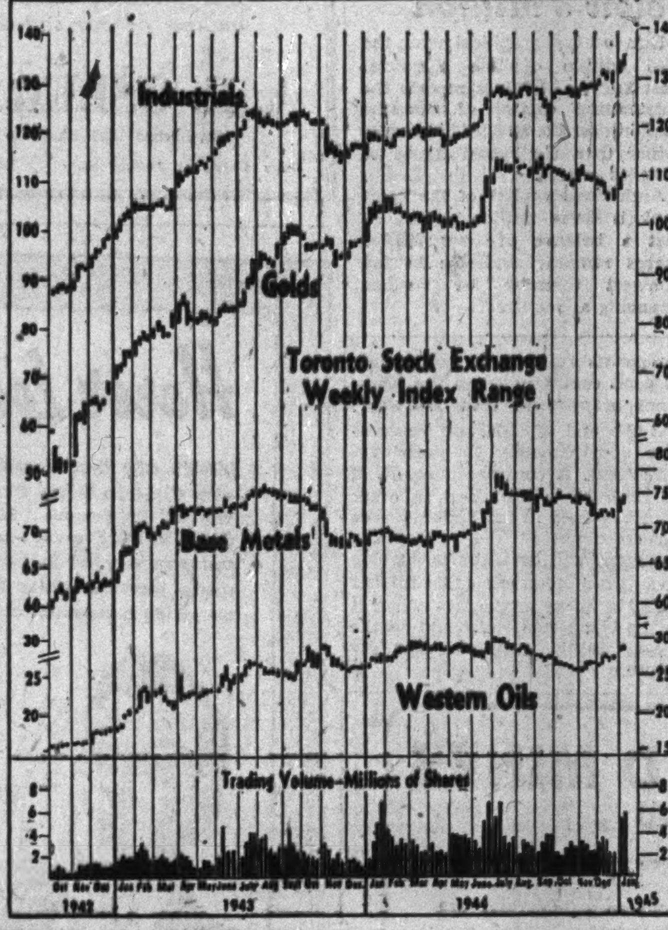
On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of February to Shareholders of record of the 12th day of January, 1945.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of February to Shareholders of record of the 15th day of January, 1945.

By Order of the Board.

C. B. ROBINSON, Secretary-Treasurer.

Montreal, January 4, 1945.



MARKET COMMENT

Market Settles

The industrials, pulp and papers and utilities averages reached new 1944-45 highs last week but then settled back to close about the same level as the week before. Golds and base metals were steady to slightly higher while western oils were slightly weaker. Volume was good with 5,994,000 shares trading in Toronto and 398,800 shares in Montreal.

Dealers were inclined to feel that the buying was quite selective. Some conservative investors, in anticipation of a reaction, were taking their profits, it is believed, as they felt that they might be able to buy back at lower prices.

* * *

Barron's (New York) The Trader: Power of the latest surge was reflected in the attainment by the industrial-share index of a level only fractionally below the Sept., 1939, peak of 155.92. The average closed the week for a gain of two points.

It is obvious that the speculative tempo has been sharply stepped up, . . .

* * *

New 1944-45 Highs and Lows

During the week ending Jan. 15 there were 88 new highs recorded among the "general" stocks traded on Canadian stock exchanges and no new lows for 1944 and 1945 to date. In the mining group there were 16 new highs and three new lows registered in the week. Two new highs were recorded in the oil stocks.

GENERAL
New Highs—1944-45

Abitibi 7% pf.	East Koot. Pwr. pf.
Algoma Steel	Easy Washing
Bank of Toronto	Gypsum Lime
Barker's Bread	Harding Carpets
Do., pref.	Hunts A
Biltmore Hats	Indust. Accept. pf.
Blue Ribbon, pref.	Inter. Paper
Brew. & Distillers	Inter. Utilities, new
B. C. Pulp & Paper	Lake St. John Pwr.
Brown & Co.	Langley's, pref.
Do., pref.	Maple Leaf Milling
Burlington Steel	Massey-Harris
Burns & Co. A	Do., pref.
Do., B	McColl Fron., pf.
Canada Cement	Montreal Loan
Do., pref.	Montreal Teleg.
Can. Northern Pwr.	National Breweries
Do., pref.	National Groc. pf.
Canada Steamships	North Star
Do., pref.	North. Trusts
Can. Wire Cable B	N. S. L. & Pwr.
Do., pref.	Ontario Silknit
Can. Breweries	Do., pref.
Do., pref.	Ontario Steel
Can. Celanese, pf.	Ottawa Car Air
Can. Ind. Alcohol	Ottawa L. H. & P.
Can. Shpbldg. B	Pantepec Oil
Can. Vickers	Power Corp.
Cassidy's	Do., pref.
Do., pref.	Do., 2nd pref.
Celtic Knit	P. L. Robertson
Circle Bar Knit	Sher. Williams pf.
Cons. Div. Secs. pf.	South Can. Pwr. pf.
Cosmos Imp.	St. Lawrence P. pf.
Crescent Cream. p.	Standard Chemical
Dairy Corp. pref.	Tooke Bros.
Dominion Bridge	Toronto Gen. Tr.
Dominion Dairies	West Can. Flour p.
Dominion Found.	Do., new pref.
Dominion Malting	West. Steel
Dom. Scot. Invest.	Windsor Hotel
Dom. Tar & Chem.	Winnipeg El. A
Donnacona Paper	Do., pref.
Dryden Paper	Wood, A. & J. pf.

MINING
New Highs—1944-45

Anglo-Huronian	G. Yellowknife
Bayonne	A rights
Bridge River Cons.	Indian Mines
Buffalo Con.	Salmon Gold
Can. Malartic	Sheep Creek
Chesterville	Sigma Mines
Cochenour-Willans	Stadacona, new
Coin Lake	Trans. Resources
	Ventures

New Lows—1944-45

Golden Manitou	Sherritt Gordon
Rice Lake	

OILS
New Highs—1944-45

Anaconda	Vermilata

Expansion Foreseen For Nor. Que. Power

From Our Own Correspondent

MONTREAL—Canada Northern Power Corp., Ltd., in a letter to stockholders has confirmed that the fixed properties of the subsidiary, Northern Ontario Power Co., have been purchased by Ontario Hydro Electric Commission for $12.5 millions, adding:

"We will continue to operate your subsidiary company, Northern Quebec Power Co., Ltd., which supplies power to the mines and municipalities in northeastern Quebec, where we anticipate continued expansion as the labor situation improves."

DIVIDEND NOTICES

DIVIDEND NO. 232

The Canadian Bank of Commerce

Notice is hereby given that a dividend of fifteen cents per share, in Canadian Funds, on the paid-up capital stock of this Bank has been declared for the quarter ending 31st January, 1945, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st February next, to shareholders of record at the close of business on 30th December, 1944. The Transfer Books will not be closed.

By Order of the Board.

S. M. WEDD, General Manager.

Toronto, 20th December, 1944.

THE DOMINION BANK

DIVIDEND NO. 249

Notice is hereby given that a dividend of two per cent (twenty cents per share) upon the paid up capital stock of this Institution has been declared for the quarter ending 31st January, 1945. The dividend will be payable at the Head Office of the Bank and its Branches on and after Thursday, the first day of February, 1945, to shareholders of record of the 15th January, 1945.

By Order of the Board.

ROBERT RAE, General Manager.

Toronto, 14th December, 1944.

Canadian Car & Foundry Company Limited

DIVIDEND NOTICE—ORDINARY STOCK

Notice is hereby given that a dividend of fifty cents (50c) per share on the paid up Ordinary Capital Stock of the Company in respect of and out of the earnings for the year ending September 30th, 1944, has been declared, payable on the 23rd day of January, 1945, to Shareholders of record on the 27th day of December, 1944.

By Order of the Board,

A. C. BOURNE, Secretary.

Montreal, December 21st, 1944.

The John Bertram & Sons Co. Ltd.

DIVIDEND NOTICE

Notice is hereby given that a dividend of Fifteen cents (15c) per share, plus an extra Fifteen cents (15c) per share, has been declared on the outstanding common stock of this company, payable February 15th to shareholders of record January 31, 1945.

By Order of the Board.

J. T. ROSS, Secretary-Treasurer.

Dundas, Ont.
January 15, 1945.

Blue Ribbon Corporation Limited

Notice is hereby given that a dividend of sixty-two and a half cents (62½c) per share on the Preferred Shares of the Company has been declared payable on and after the first day of February, 1945, to holders of record at the close of business on the 12th day of January, 1945.

Dated at Toronto this 10th day of January, 1945.

D. W. LAVERTY, Secretary-Treasurer.

NOTICE

GENERAL PETROLEUMS Limited

NOTICE TO SHAREHOLDERS OF ANNUAL MEETING

NOTICE is hereby given that the Third Annual General Meeting of the Shareholders of General Petroleums Limited will be held at the Head Office of the Company, 204 Lancaster Building, in the City of Calgary, in the Province of Alberta, on Saturday, January 20th, 1945, at 11 a.m. o'clock, for the receiving of reports of the Directors and Auditor of the Company, the Election of Directors and Auditor for the ensuing year, and the transaction of such other business as may properly come before the meeting.

The Transfer Books of the Company will be closed from January 10th, 1945, to January 21st, 1945, inclusive.

By order of the Board,

H. E. HOWARD, Secretary

WOODEN BOXES

In co-operation with Boxmakers we are putting large quantities of wooden boxes back to work, conserving new materials for essential needs.

Several hundred thousand well-made serviceable used boxes, in a range of sizes from ½' to 15 Cubic Ft. capacity (a few larger) are coming in, and are offered through Boxmakers. Shippers are invited to send particulars of sizes needed, with the name of their regular supplier to

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Death Benefit Clubs Finance By Annual Dues; Assessments

From Our Own Correspondent

VANCOUVER—Investigation into the operations of death benefit societies and sickness and accident mutual aid associations, is continuing on the coast under the direction of Commissioners A. J. Cowan and J. A. Grimmett.

One method of operating, it appears, was to levy an annual fee say of $5 of which $2 went for operating expenses, the remainder going into a trust fund, as a reserve for meeting future death claims as required over the amounts raised by quarterly assessments. The British Columbia Mutual Benefit Association reportedly had over $100,000 assets.

The Empire Home Benefit Association with assets of $118,600 was scrutinized during the past week. Of the sum represented by assets it was shown that $40,000 was kept on hand in the bank for payment of death claims. The remainder is in government guaranteed bonds with the exception of one $1,000 City of Rossland bond.

Annual dues paid by 5,201 members total $28,000 of which 40% is kept in a separate account for operating expenses. The remainder is placed in a mortuary trust fund which can be used to make up any difference between the amount paid in claims and the amount collected from members by assessments every three months.

Five members of the board of directors are excused for paying their assessment on a $2,500 policy. They receive a $15 yearly honorarium, and the president receives $25 a month in addition. The secretary is the only paid official on a contract.

The secretary of the B.C. Mutual Benefit Association reported that in his opinion, war news has an effect on mortality. He said there had been a 25% decrease in deaths among his members since 1942.

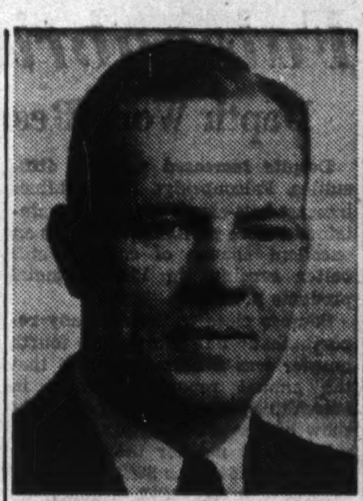
Most of the time of the commission has been devoted to the hearing of individual complaints of members involving a great deal of detailed medical testimony.

International Utilities To Redeem Preferred

International Utilities Corp. has authorized redemption of 30,000 shares of $3.50 preferred stock at $52.50 per share plus accrued dividends, subject to approval of the Securities and Exchange Commission. The number of shares to be redeemed may be reduced through open market purchases by the company.

The redemption will reduce the outstanding $3.50 preferred stock to 62,812 shares, following which, net current assets will be in excess of $1 million and miscellaneous investments will still be held having a current market value of over $1 million, it is reported.

A dividend of 37½c. a share has been declared on the common stock payable Mar. 1, 1945 to stockholders of record Feb. 16, 1945.



SALES MANAGER

E. F. Glover, appointed sales manager of Pilkington Brothers (Canada) Ltd., glass, with headquarters in Toronto.

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Canadian Car & Foundry Company Limited

ISSUES OFFICIAL STATEMENT IN ANSWER TO CHARGES BY MONTREAL STOCK BROKER

TO SHAREHOLDERS:

In a letter to the shareholders of Canadian Car & Foundry Company Limited, Mr. A. Kirby, a Montreal stock broker, has made certain charges against the management of the company, and has requested that shareholders send their proxies to him for use at the Annual Meeting to be held in Montreal on January 31st, 1945.

As President of the Canadian Car & Foundry Company Limited, I am writing to you personally giving the management's answer to the charges made.

IT IS CHARGED: That the management has been "seriously considering the expenditure of large sums of money for plant expansion and rehabilitation," and he mentions a sum of between five and nine millions of dollars.

THE FACTS: No commitments have been made for any large expenditure on plant expansion or rehabilitation, other than for current operations. Nor can any consideration be given to matters of this nature until full knowledge is obtained of what may be needed to fit the company's plants for peace time needs. In this connection, a firm of competent industrial engineers has been retained to make a thorough investigation and prepare a report for the management. No estimate has been made of possible future expenditures in this direction and none can be made until the required information is received.

IT IS CHARGED: That the employment of this outside firm is unnecessary in view of the fact that "your company supposedly has first-class engineers in its employ."

THE FACTS: Your company has first-class engineers in its employ, but they are completely engaged on work in hand, much of which is war work. They cannot spare the time to make the exhaustive study required. Some preliminary work has been done by them, but this must be checked and verified by independent experts. In any case, it is established business practice to employ reputable industrial engineers for studies of this nature.

IT IS CHARGED: That the above information was omitted from the annual report.

THE FACTS: It is not customary to cover in the annual report matters which have gone no further than the discussion stage. The employment of a high ranking firm of international repute for the obtaining of the most expert advice is a precautionary act wholly in the interests of the shareholders. The consulting engineers' report would be carefully considered by the management before being submitted with any recommendation to the Board of Directors.

IT IS CHARGED: That there has been inefficiency in the present management if, after the large sums spent during the last few years, the plants are not in condition to compete with similar enterprises.

THE FACTS: Plant expenditures during the last few years have been largely for munitions, marine and aircraft production. Moreover, such capital expenditures have been or will be written off by special depreciation, as set forth in the balance sheet.

The company plants are in first-class condition to meet present day demands. However, tomorrow's demands may call for new designs and new methods of manufacture and it would be gross inefficiency to fail to take all steps required to maintain plants in a competitive condition.

IT IS CHARGED: That the fact that only $5.66 per share has been paid as dividends on the common stock during the last 31 years is proof of the extravagance and inefficiency of the management.

THE FACTS: 31 years is a long time and the present management, which has been in office for only a few years, can hardly be held responsible for what may have happened before its tenure of office.

IT IS CONTENDED: That if funds are available they should be used to retire as many of the preferred shares as possible.

THE FACTS: This is already a policy of the present management. Under the plan of reorganization adopted in 1943, a sinking fund was provided, and is in operation, for the gradual retirement of the preference shares.

MR. KIRBY INDICATES his desire to install an able and efficient management which is not involved in any large outside corporate interests.

THE FACTS: The management of the Canadian Car & Foundry Company Limited is in the hands of permanent competent officials who devote their full time and energies to the task. The Board of Directors of your company is comprised of leading industrialists whose individual experience is of particular value in formulating the policies of the company.

If the answers given above appear fair and reasonable to you, as President of your Company, and on behalf of the Present Directors and Management, I ask for your support.

If you will not be present at the Annual Meeting to be held at twelve o'clock noon on January 31st, 1945, in the Assembly Room of the Royal Bank of Canada, St. James Street, Montreal, I would appreciate receiving your proxy —signed, witnessed and dated—by return mail.

Yours faithfully,

V. M. DRURY,
President

CANADIAN CAR & FOUNDRY COMPANY LIMITED

CANADA CEMENT COMPANY LIMITED

AND SUBSIDIARY COMPANIES

Annual Report of the Board of Directors

TO THE SHAREHOLDERS:

Your Directors beg to present herewith the Seventeenth Annual Statement of the affairs and financial position of your Company as at November 30, 1944.

Net Earnings, after providing for depreciation and income taxes, amounted to $828,115.66 as compared with $949,072.04 in the preceding year. Earnings amounted to $4.12 per share on the Preference Shares. Dividends of $5.00 per share were paid during the year at the rate of $1.25 per quarter. The difference between the amount earned and the amount paid was made up from surplus account.

The volume of business during the year was on the whole slightly better than was anticipated due to certain easing of building restrictions during the summer months. However, total shipments represented only about 65% of plant capacity.

Production costs continue to increase. Since 1939 the cost of coal, which is one of the main items in the cost of producing cement, has increased by 47%; labour costs have increased very substantially, and other items of cost have tended to rise. On the other hand, the price of cement is low, selling on a price basis established during the depression period, and of course is under price ceiling regulation. The combination of these two factors makes profitable operations very difficult.

Repairs and renewals to plants have been made during the year only where absolutely necessary. There has accumulated a very large amount of deferred maintenance but funds are in reserve to undertake a rehabilitation programme as soon as the war ends and materials and labour become available.

The distribution of the product of your Company was less complicated during the year as we were able to operate our bulk-carrying steamer to east coast ports on a somewhat restricted scale but with considerable advantage to the Company.

Prospects for the coming year are very clouded due to the uncertainty as to when post-war building activity may be commenced. It is therefore difficult to make any prediction as to what business will materialize during 1945. The present trend of sales is downward and it is anticipated that this trend will continue at least to the end of the war in Europe.

Respectfully submitted on behalf of the Board of Directors.

J. D. JOHNSON,
President.

CONSOLIDATED BALANCE SHEET, NOVEMBER 30, 1944

ASSETS

CURRENT ASSETS:			
Inventories of Cement, Materials and Supplies as determined and certified by the Management and valued at or below cost, which is below market		$ 2,622,450.86	
Accounts Receivable (less Bad Debts Reserve)—			
Customers' Accounts	$ 742,136.51		
Other Accounts	34,784.35	776,920.86	
Government Bonds (Market Value $3,767,712.50)		3,714,247.85	
Cash		1,534,356.18	$ 8,647,975.75
INVESTMENT IN COMPANY'S OWN BONDS, AT PAR			103,000.00
REFUNDABLE PORTION OF EXCESS PROFITS TAX			157,000.00
UNEXPIRED INSURANCE, PREPAID TAXES AND OTHER PREPAID EXPENSES			68,259.55
BOND REFUNDING EXPENSE (less amounts written off)			770,000.00
PROPERTY ACCOUNT:			
Land, Buildings, Plant and Equipment, etc., (as appraised by Messrs. Ford, Bacon & Davis, Inc. on the basis of commercial value at September 30, 1927, $38,267,500.00) and the Canada Cement Building at cost; with subsequent additions at cost and after deducting Depreciation Reserves of $25,009,702.81			32,636,425.82
			$42,387,661.12

LIABILITIES

CURRENT LIABILITIES:			
Accounts Payable		$ 591,384.18	
Bond Interest Accrued		31,875.00	
Preference Dividend declared of $1.25 per share, payable December 20, 1944		251,086.25	
Government and other Taxes		448,331.02	$ 1,322,676.40
FIRST MORTGAGE BONDS:			
Authorized		$20,000,000.00	
Issued Series "A"		$16,500,000.00	
Outstanding—			
4¼% Sinking Fund Bonds due 1951		$10,500,000.00	
Less: Redeemed during year		1,500,000.00	9,000,000.00
MORTGAGE ON CANADA CEMENT BUILDING:			
Repayable in semi-annual instalments and balance due in 1948			395,000.00
RESERVES:			
Fire Insurance		$ 750,000.00	
Extraordinary Repairs and Renewals		350,000.00	
Industrial Accidents		57,000.00	
Contingent Reserve		400,000.00	1,557,000.00
PREFERENCE SHARES REDEMPTION RESERVE			55,900.00
PREFERENCE SHARES—6½% SINKING FUND CUMULATIVE SHARES OF $100.00 EACH, REDEEMABLE ON SIXTY DAYS' NOTICE:			
Authorized (of which $21,000,000.00 has been issued)		$25,000,000.00	
Outstanding			20,036,900.00
NOTE—Dividends are in arrears $38.75 per share.			
COMMON SHARES:			
600,000 Shares of No Par Value out of an authorized issue of 750,000 Shares			6,403,904.75
EARNED SURPLUS:			
As per statement attached		$ 3,409,279.97	
DEFERRED SURPLUS:			
Refundable portion of Excess Profits Tax		157,000.00	3,566,279.97
			$42,387,661.12

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS FOR THE YEAR ENDING NOVEMBER 30, 1944

Profit from Operations after providing $1,625,000.00 for Depreciation, but before deducting the undernoted items		$ 2,191,678.26
Executive Remuneration	$ 91,616.00	
Directors' Fees	10,800.00	
Legal Expenses	1,174.85	103,590.85
		$ 2,088,087.41
Add: Income from Investments		69,297.95
		$ 2,157,385.36
Deduct:		
Bond Interest (net)	$ 405,254.80	
Mortgage Interest	17,300.00	
Contribution to Pension Fund	100,000.00	
Proportion of Bond Refunding Expense	110,000.00	
Premium and Expenses on Bonds redeemed during year	33,714.90	
Provision for Income and Excess Profits Taxes	663,000.00	1,329,269.70
		$ 828,115.66
Earned Surplus, November 30, 1943		3,585,509.31
		$ 4,413,624.97
Deduct: Dividends on Preference Shares at $5.00 per share		1,004,345.00
Earned Surplus, November 30, 1944		$ 3,409,279.97

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of Canada Cement Company Limited and its Subsidiary Companies for the year ending November 30, 1944, and have obtained all the information and explanations which we have required, and we report that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of Canada Cement Company Limited and its Subsidiary Companies at November 30, 1944, and that the Statement of Profit and Loss correctly sets forth the result of their combined operations, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO., Auditors.
Montreal, January 8, 1945.

Approved on behalf of the Board:
J. D. JOHNSON, Director.
F. B. KILBOURN, Director.

Manterre Gold Mines reports that diamond drill holes Nos. 3 and 4 have reached depths of 550 ft. and 407 ft., respectively, and should be completed in the next few days. No. 3 hole is the first in a series being drilled to completely cross-section the property from south to north near the centre. The No. 4 hole is being put down some 450 ft. north of No. 1, and is sited to cut a quartz stringer and massive quartz zone at a slightly higher horizon than No. 1 hole which cut the zone at 500-ft. depth. The company reports two drills operating on the property with over $75,000 on hand to finance current development. Future options will provide $471,000, if fully exercised.

Newcor Mining & Refining advises that good progress is being realized in the erection of a treatment plant on its property in the Flin Flon area of Manitoba. The plant is expected to commence operating sometime in February, it is reported. Mining equipment is capable of hoisting 100 tons of ore daily and the treatment plant will include crushers to handle 100 tons daily and roasting equipment to treat 40 tons of massive ore or concentrates daily. The company is claimed to have made an agreement with United States interests for sale of 500,000 shares at $1. Application has been made to the SEC for registration.

Falconbridge Net Higher in '44

Depth Work Results Said Very Satisfactory Last Year

Despite increased wartime difficulties, Falconbridge Nickel Mines increased its earnings in 1944, maintained its ore position and stands an excellent chance of showing still better earnings in 1945—if metal products hold.

Sources close to the company report that Falconbridge's fourth quarter was a normal one, so that the annual report appearing in March this year will almost certainly show higher 1944 earnings.

Estimated net for the first nine months of 1944 was $648,738 against $673,998 for all 1943. Adding an amount for the fourth quarter equivalent to the poorest preceding quarter in 1944, it would appear that the 1944 net was $841,315 (25.2 cents a share) or better.

There were no important fourth quarter adjustments similar to those at the end of 1943.

While further restriction of the development footage prevented completion of development in the important block of ground between 2,100 and 2,800 ft. depth, work completed is stated to have shown "very, very satisfactory results" which are expected to be detailed in the annual report.

Difficulty of keeping up with production demands, prevented completion of any further exploration on outside holdings in 1944 and ore reserves for this ground remained unchanged. However, ore reserve position of the Falconbridge mine proper was maintained although a slight drop will be shown in average grade of ore in reserve due to a very limited amount of selective mining.

Under arrangements with Ottawa, the company was granted special amortization provisions for writing off extra capacity completed to meet war demands. In 1942, $341,345 was written off for this, $472,690 was written off in 1943 and a further substantial amount is known to have been included in 1944 write-offs to cover special wartime expansion which was continued into 1944. However, there is very little of this expenditure remaining to be amortized and shortly non-operating charges will not be loaded for this expense.

With lowered-write-offs practically assured for 1945, chances for high earnings are exceptionally good if metal markets hold—which current conditions favor.

Shareholders have permitted a 50% dividend cut to facilitate building up of working capital:

1. To bridge the uncertain gap between war and peace.
2. To permit erection of a new refinery in the event that the company's refinery is not found in good condition when the Germans are evicted from Norway.

At the end of 1944, ore reserves were approximately 15 years' requirements. A considerable part of ore reserves is contained in other properties held in the Sudbury area and no doubt at the appropriate time steps will be taken to develop them. It is quite possible that further testing of these properties—when it can be completed—may add to the already rather comprehensive ore picture.

Conwest Capital Below 3 Million

Due to a typographical error, the 1945 edition of The Financial Post Survey of Mines reports the outstanding capital of Conwest Exploration Co. as 3,187,572 shares rather than the actual figure of 2,187,512 shares.

Authorized capital of the company is three million shares, so that a balance of over 800,000 shares remains available in the Conwest treasury for further financing as required.

Ontario Appoints Geologist To Serve Kirkland Lake Area

Appointment of John Williams McBean as resident geologist for the Kirkland-Larder Lake area with headquarters at Swastika, Ont., was announced this week by Hon. Leslie Frost, Ontario Minister of Mines.

Mr. McBean is the third resident geologist to be appointed by the Ontario Government since such appointments were recommended by Ontario Mining Commission. The Commission suggested that duties of such geologists should include holding of prospectors' classes, in which simple geological instruction could be given and rock and mineral spotting practised.

The new appointee is a graduate of the University of Toronto, completed a postgraduate course at Queen's University, and for two years was with Lake Shore Mines as geologist. In 1940, he was senior geological assistant to Dr. J. E. Thomson of the Ontario Department of Mines in work in the Larder Lake area.

It is expected that the appointment of McBean will assist further development of geological theories with respect to character of ore deposition in the Kirkland and Larder Lake areas. Important theories were advanced a year or so ago concerning this area and considerable work has been done since based on these theories. It is expected that Mr. McBean will correlate results of latest work completed.

Mining Concentrates

Aumaque Gold Mines advises that final assays taken from the core of No. 36 diamond drill hole yielded values of $4.62 across 8½ ft. and $4.23 across 7½ ft. The No. 36 hole was put down by predecessor operators some 600 ft. east of the most easterly hole in the present program. Hole No. 62 is being drilled about 100 ft. east of No. 61. Work to date has established continuation of the zone for an indicated length of over 3,000 ft. from east to west, it is reported.

• • •

Aquarius Porcupine Mines advises that diamond drill hole No. 47 has reached a depth of 576 ft. on its way to proposed objective of 800 ft. and possible footage of 1,100. The acreage totals some 45 claims in the Night Hawk Lake sector with diamond drilling showing a carbonate zone over 6,000 ft. in length, it is reported. Both ends are still open. It is proposed later to drill a separate series of holes south of the major carbonate zone to prospect to the south line. The company reports some $100,000 in the treasury.

• • •

Belle-Bry Yellowknife Mines reports that a diamond drilling program has been under way on the Moose Lake group of claims on Lower Walsh Lake, Yellowknife area. Some 32 X-ray drill holes have been completed with drilling reported to have intersected structure 40 to 80 ft. below the outcrop. Arrangements are being made for a heavier drilling rig to probe at greater depth.

• • •

Coin Lake Gold Mines advises that a diamond drilling contract has been let to test the Lightning River claims. The company owns three groups of claims in the area. Coin Lake is taking a 30% participating interest in financing Slate Bay Mines in the Red Lake area, where work is progressing in preparation for a drilling program in the spring, it is reported.

• • •

Coventry Gold Mines advise a decision has been made to concentrate work on its Yellowknife claims throughout the winter, rather than awaiting spring. A crew is leaving immediately to carry out further exploration on a vein which is reported to have been opened for a length of 300 ft. Diamond drilling is also contemplated. Work is being held in abeyance on the Midlothian holdings.

• • •

Duomalartic Gold Mines is said to be concentrating work on a new find of Julius M. Cohen, consulting engineer. The showing is described as being a series of cross-fractures under favorable geological conditions. The company recently announced $75,000 had been placed in the treasury by New York interests.

• • •

Delcore Porcupine Mines has undertaken a diamond drilling program on a group of 15 claims in Deloro twp., formerly known as the Acordia Porcupine. Work is being concentrated on the major "C" and the shaft zone, as well as a third zone to the southeast, it is reported. Hole No. X-11 has been completed to 831 ft., while No. X-12, some 400 ft. south of X-11, is now down about 200 ft. The "C" zone is reported to have shown a length of 300 ft. and width of 10 ft. in drilling to 350 ft. by former operators.

Terrebone Drill Tests Mud Lake Property

A series of holes to aggregate 3,000 ft. of drilling has been started on the northeast section of the extensive acreage controlled by Terrebone Mines in the Mud Lake-Belleterre area of Quebec. The first hole has been sited to cut the grandiorite contact and explore a sheared zone composed of greenstone and quartz stringers. Technical direction is under Mining Research Corp.

The sheared zone is reported to line up with a recent discovery made by Consolidated Mining & Smelting Co. on ground to the north. The company is negotiating for another drilling rig and a contract for an additional 5,000 ft. of drilling is to be let to explore, thoroughly, surface exposures, made last summer. Finances to date are stated to have been provided privately by directors who comprise J. Bradley Streit, president, W. J. Marshall, vice-president, W. S. Sewell, secretary, Seymour Trent and James O. Roddick.

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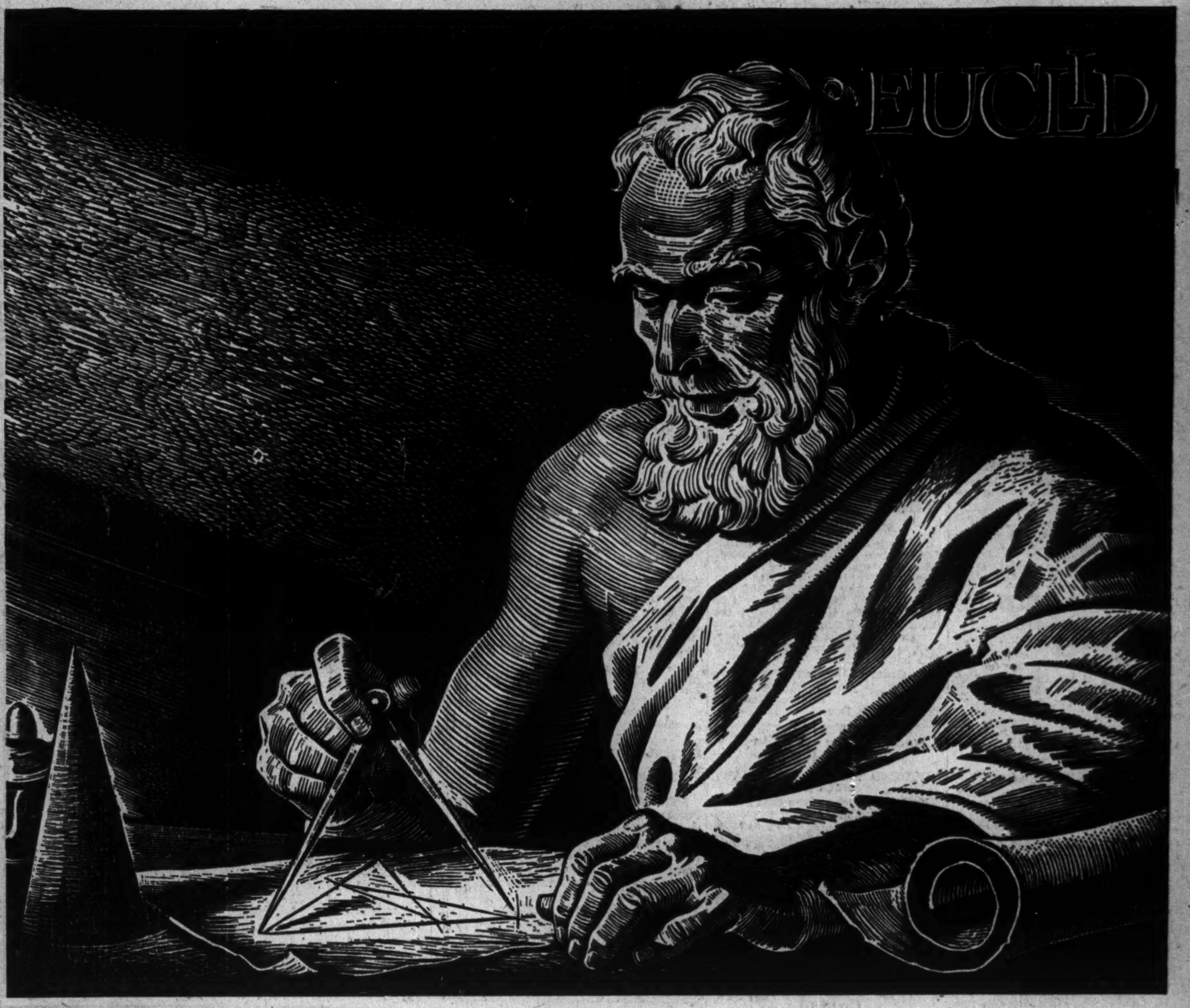

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RESEARCH still goes forward. Twenty-four years ago industrial research with Nickel was greatly intensified. The Nickel laboratories in Canada, the United States and Great Britain have since discovered hundreds of new ways in which Nickel and its alloys can be used to make better products. This research has been a valuable aid in the great expansion of Canada's Nickel industry.

When the war is won, these laboratories will again direct their efforts toward new peacetime uses for Canadian Nickel. They will be aided by the great store of knowledge gained during the war.

Canadian engineers and metallurgists, who are constantly seeking better materials with which to make better products, are invited to make use of this store of information obtained through the years of Nickel research.

Thus will science and industry, working together, broaden the use of Nickel, and so help keep the Canadian Nickel mines and plants operating and men employed.

FORWARD THROUGH RESEARCH

Canadian Nickel

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED, 25 KING STREET WEST, TORONTO

PROFESSIONAL DIRECTORY

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100 ADELAIDE ST. W., TORONTO, ONT.
Affiliated With The General Engineering Company, Inc., Salt Lake City, Utah, U.S.A. British-Geco Engineering Company Limited, London, England
CONSULTATION DESIGN & CONSTRUCTION MANAGEMENT
COMPLETE ENGINEERING SERVICE

MINING INVESTMENTS

New Chesterville Ore Seen of Significance

Discussing the position of Chesterville Larder Lake Mining Co. with an official this week, it became more and more clear to The Financial Post that opening of good grade ore on the deeper levels at this company's property in "D" ore body is an event of major significance.

It seems now that it is entirely likely that the "D" ore body will fully replace the loss of the company's previous main ore body, the "A," to Kerr-Addison. And if dimensions of the "D" stand up at depth, it is quite possible that it may prove much more important. It stands vertical and should remain within the confines of the company's property.

Little is heard of the long Chesterville drive being put out to the east but this drive is understood to be approaching an area which could quite possibly prove ore bearing. About 600 ft. ahead is a section where surface drilling returned several good intersections. While they didn't link up to form a definite ore body, it is thought quite possible that there might be found an improvement in conditions with depth.

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Rumors have become an important factor in the mining market.

One spectacular "mover" the last two weeks went sharply ahead on reports of an important find in the Yellowknife area on a property in which a half interest was held. Even values and width were mentioned.

Then a day or two later came a denial that any such interest was held. The rather surprising thing is that the company's shares are today selling substantially higher than when the rumor first broke.

Blondor, Ortona, and others, have advanced sharply on reports that good cores had been drawn in drilling and that assays would likely be high. But in these cases at least, advance reports proved overoptomistic. As one mining executive expresses, it takes a smart man to tell the values in a drill core before it is assayed.

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Among mining companies likely to make news over the next few weeks are the following:

Headway Red Lake—Expected to report its first drilling results.

Biroco Kirkland — Expected to finish its key joint hole with Erin Kirkland; completion has been delayed by difficulties of securing adequate water for drilling.

Transcontinental Resources—Scheduled to put a drill to work as soon as one can be secured.

Heath Gold Mines — Anticipates results from surface bulk sampling in about another week's time.

Powell Rouyn—Expects to report results from further testing at depth.

Most of the mining news is of the gold mining variety these days. Few base metals have been making property news lately.

MANAGER

Larry Webster, appointed manager of Vancouver branch of Harry E. Foster Agencies Ltd.

Homer Yellowknife Reports $100,000 on Hand For Work

A new exploration program, backed by approximately $100,000 cash in the treasury, is planned for Homer Yellowknife Gold Mines acting on a report of Geologist N. H. C. Fraser of Frobisher Exploration Co., S. A. Perry, president, reports.

The board of directors has authorized a program involving geological mapping with close prospecting, and of exploratory diamond drilling to test drift covered depressions which might contain shear zones.

Plan Drilling

Diamond drilling will be undertaken as soon as a diamond drill is available and surface work is expected to get under way with the breakup—probably the latter part of April.

Gasoline for diamond drilling has been purchased and arrangements made for the first shipment to arrive in Yellowknife by tractor train from Grimshaw, Alta., on or about Feb. 1.

General Engineering Co. (Canada) has been appointed operating manager and N. H. C. Fraser has been appointed consulting geologist in connection with the expanded program of exploration planned.

Mr. Perry confirms the purchase of an additional 17 claims tying on to the east of the original block of 15 and a fraction claims.

The Homer Yellowknife property is located in the north part of the Yellowknife area on the northern extension of the greenstones, the formation which has been attracting chief interest in the Yellowknife area.

Mining Concentrates

Anglo-Rouyn Mines is reported to be planning shaft sinking as soon as government restrictions are lifted. The site is proposed part way between the old and new zone sections. Seven recently completed drill holes has outlined the new north ore zone, north of the Here Creek fault, for a length of 900 ft., it is reported. The company's consulting engineer states No. 77 hole has reached bedrock at 120 ft. and is directed to extend the zone 200 ft. farther south toward the fault. The zone north of the Here fault is located 800 ft. east of the original Anglo-Rouyn shaft workings. In the original area 150,000 tons of $6 ore were indicated.

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Cartier Malartic Gold Mines advises in a report covering operations for the period Dec. 31, 1937, to Oct. 15, 1944, that there has been little change in affairs of the company. The balance sheet as at Oct. 15, 1944, showed cash of $791 and 1,118,000 shares of Kewagama Gold Mines. Liabilities totalled $737.

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Cariboo Gold Quartz Mining Co. has advised the Toronto Stock Exchange that bullion production totalled $36,845 from 2,622 tons milled, an average recovery of $14.06 during December, 1944, as compared with $36,229 from 2,733 tons milled, an average of $13.25 in November.

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Eldona Gold Mines advises that the first drill hole has been completed with sections of the core showing quartz with chalcopyrite and mineralization. Samples have been sent out for assay. The program is under the direction of Hans Lundberg, consulting geologist, who has mapped a large diamond drilling program spotting a series of holes along the Eldona-Donalda boundary. The company controls 20 claims in Rouyn township east of Donalda Mines.

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Mate Yellowknife Gold Mines reports five deep diamond drill holes are to be drilled on the western section of its property to test the greenstones. First two holes drilled in December are reported to have tested a shear near a fault which runs across the northeast corner of the property.

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OIL PRODUCTION

Princess Field Gets Two New Drill Tests

From Our Own Correspondent

CALGARY — California-Standard Co. has announced the first of its "followup" tests in the vicinity of its Devonian dolomite oil strike of last September in the Princess area.

The initial new venture, known as Princess-CPR No. 76-22A, is to be drilled immediately in the centre of the northeast 10 acres of L.S.D. 12 22-20-12w4, three eighths of a mile southeast of the Devonian discovery well, Princess CPR No. 18-21A (formerly the No. 8), and less than quarter of a mile south and east of the Princess-CPR No. 1, the 1940 completion which showed oil in the Devonian but was lost due to mechanical difficulties.

The new well will be drilled under contract by Can-Tex Drilling Co., using a new steam rotary just received from the United States. Rigging up is now under way, and drilling is expected to start within a few days.

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Joint Princess Well

South Brazeau Petroleums, a new company organized by M. J. Davies, and Pacalta Oils, an Ontario company which has been active in Alberta plains oil development for some years, will jointly develop a 1,427-acre block about 12 miles north and west of the Princess Devonian oil strike.

The two groups have announced that initial well-site will be selected by their consulting geologist, Joseph S. Irwin, in the near future, and that drilling will likely get under way in February. Their joint acreage includes: the portion of sections 1 and 12 located west of the Red Deer River; the east half of sections 2 and 11; that portion of the east half of section 14 west of the Red Deer River; and the south half of section 13 east of the Red Deer River all being in township 22, range 14w4 The acreage is flanked to the east by holdings of California-Standard, to the west by holdings of the Hutton Syndicate.

South Brazeau Petroleums, in addition to its Princess development, plans to drill this spring on a 10,240-acre reservation along the Shunda Creek anticline, in the central Alberta foothills. Two wells are already under way along the northern part of this Devonian structure—the Shunda Oils No. 1 and Arrow-Brazeau No. 1. South Brazeau's holdings, along the southerly part of the structure, include: Sections 30 and 31, twp. 30 rge. 13w5; sections 25, 26, 27, 34, 35 and 36, twp. 39, rge. 14w5; and sections 1, 2, 3, 10, 11, 12, 14 and 15, twp. 40 rge. 14w5. The company states that work on road into the projected site—near the centre of the block—will be started as soon as weather permits. Site is to be finally staked shortly by geologist Russel V. Johnson.

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Better Wells For Valley

The Turner Valley oilfields, up against a drilling slump in recent months with number of wells making hole now at the lowest level in several years (only seven), has provided three better than average producers at its latest three completions.

All three completions are backed by members of the Imperial Oil group (two, Royalite Oil Co.; one, Foothills Oil & Gas). This group, through its own members or in association with independents, is interested in all the wells now drilling in the field, and is the only group with locations slated for new drilling in the near future. Perhaps the story of the latest completions will help to change that development picture for the better.

Best of the new completions is Royalite No. 77, on the northerly part of the central west flank in L.S.D. 1 2-20-3w5. This well, completed 445 ft. in the Madison at 7,432 ft., has been placed in steady production after application of only 1,000 gallons of acid. Latest reported 24-hour run was 468 bbls., with a gas oil ratio of only 1,096 cu. ft. per bbl. The well is expected to receive a production allotment of about 450 bbls. per day—about 13,500 bbls. per 30-day quota period.

Royalite No. 79, also located on the northerly part of the Central West Flank in L.S.D. 2-20-3w5, three eighths of a mile northwest of No. 77, is expected to rate an initial production quota of about 250 bbls. daily. Gas-oil ratio on recent runs is low—being only 1,100 to 1,200 cu. ft. per bbl.

Foothills No. 19, the third recent completion, is expected to rate in the same class as the Royalite No. 79—that is, it will likely receive an initial quota of about 250 bbls. daily or about 7,500 bbls. per 30 days. This well—on the east edge of the main lime uplift in North Turner Valley—drilled 2,964 ft. of lime to complete at 9,023 ft., passing into the east side lime directly from the main uplift body. After a series of acid treatments the well showed a flush exceeding 500 bbls. daily, but substantial gas volume from the relatively shallow main lime zones caused a gas-oil ratio which limits the volume of oil that may be produced. Latest reported run shows recovery of 457 bbls. of oil with a gas-oil ratio of 2,535 cu. ft. per bbl. The ratio has since been reduced by limiting oil output, may wind up around 2,100 cu. ft. per bbl.

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Jumping Pound Test

Continuing experimental operation this week, the Shell Oil of Canada No. 4-24-J discovery well at Jumping Pound showed a decided improvement as back pressure was increased. The well—on the gas cap crest of a deep-lying anticline—will be used to provide fuel gas for Shell's coming drilling on the flanks of the structure, substantially reducing drilling costs as well as supplying some revenue from naphtha produced with the gas.

Size of the choke through which the well is producing was reduced on Jan. 9 from 20/64 in. to 11/64 in.—about one sixth of an inch—boosting back pressure to around 2,600 lb., and curtailing gas flow to 1¼-1½ million cu. ft. daily.

Under this heavy back pressure, recovery of naphtha was cut to between 19 and 25 bbls. daily, the well operating with a gas-oil ratio of about between 60,000 and 65,000 cu. ft. per bbl.

Under back pressure of only 200 lb., the well had produced with a gas-oil ratio of over 143,000 cu. ft. per bbl. giving about 13½ million cu. ft. of gas and 95 bbls. of naphtha daily.

MacLeod in Ore On New Levels

Excellent results are being obtained in opening up ore on the new 8th and 9th levels at MacLeod-Cockshutt Gold Mines, Fred G. MacLeod, president, advises. Work is being concentrated on the 8th, 9th, 10th and 11th levels, with development on the lower two horizons expected to reach the ore zone within the next three or four months.

Recently officials announced the decision to suspend milling and roasting operations on or about Mar. 15, 1945, for a period of six to eight months, due to a labor shortage that delayed development to such an extent in 1944 that it was only with difficulty that the mill was operated even on a reduced basis. During the shut-down period, Fred. G. MacLeod, reports, development will be pushed to the limit of available labor. It is expected that when mill and roaster operations are resumed, tonnage will be on a basis where a reasonable profit can be made, providing that sufficient labor is then available.

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Position of Chartered Banks of Canada as of Nov. 30, 1944, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Governments $	Advances from Bank of Canada Secured $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits in Canada in currencies other than Canadian $	Deposits Elsewhere $
Montreal	8,401,405	272,203,925	22,091,504	....	444,041,985	561,905,506	5,666,319	127,746,871
Nova Scotia	3,027,460	76,064,066	1,372,589	....	116,490,286	198,737,838	1,498,527	94,013,663
Toronto	1,046,323	51,979,338	4,085,057	....	86,217,039	134,474,435	318,787	....
Provincial	854,580	13,006,659	232,684	....	20,865,874	71,343,502	39,400	....
Commerce	6,722,923	177,899,576	15,454,488	....	373,941,166	445,685,054	6,612,547	103,673,529
Royal	9,580,371	232,148,156	21,453,136	....	519,422,932	800,840,297	35,356,052	344,477,601
Dominion	1,341,301	46,900,770	1,378,216	....	82,895,893	117,850,569	287,684	7,759,680
Nationale	1,525,832	39,351,228	1,452,541	....	66,344,772	175,365,595	593,148	....
Imperial	1,382,157	53,478,541	26,980,502	....	96,921,185	130,355,017	1,489,134	....
Barclays	353,045	6,568,152	9,767	....	6,195,148	6,583,505	6,306,574	....
Total	34,235,397	969,600,406	94,510,484	....	1,813,336,280	2,343,141,318	58,168,172	677,671,344

NAME OF BANK	Bal. due to other Banks in Canada $	Due to banks in U.K. $	Due to Banks Elsewhere $	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $
Montreal	3,128,328	12,707,383	18,255,676	17,591,912	2,821,871	549,711	39,000,000	36,000,000	1,572,112,401
Nova Scotia	4,825,803	2,633,143	3,846,262	27,008,136	1,426,397	8,603	24,000,000	12,000,000	566,952,778
Toronto	593,026	1,616,091	835,397	1,237,460	....	150,735	12,000,000	6,000,000	300,553,692
Provincial	....	....	40,602	147,647	24,765	53,851	1,000,000	4,000,000	111,609,569
Commerce	3,962,590	6,466,623	8,999,105	24,575,027	....	43,507	20,000,000	30,000,000	1,224,036,141
Royal	3,161	4,251,687	18,931,671	42,347,097	1,616,390	575,575	20,000,000	35,000,000	1,786,004,131
Dominion	1,962,156	1,446,334	637,406	5,723,046	265,721	2,808	7,000,000	7,000,000	282,451,590
Nationale	1,171,722	52,514	793,315	296,144	63,418	111,315	5,000,000	7,000,000	299,121,543
Imperial	1,665,012	1,109,412	1,187,750	3,801,456	....	3,961	8,000,000	7,000,000	333,374,131
Barclays	275,285	2,585,156	1,521,528	1,336,620	79,358	....	750,000	1,500,000	34,064,170
Total	17,587,083	32,868,373	55,048,712	124,064,545	6,297,920	1,500,066	136,750,000	145,500,000	6,510,280,146

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorized $	Capital Subscribed $	Last Dividend %	†Loans to Directors and firms of which they are partners	Greatest Amount of Notes in Circ. $	Bills rediscounted with Bank of Canada $
Montreal	50,000,000	36,000,000	6	565,838	8,570,370	....
Nova Scotia	15,000,000	12,000,000	10	1,696,049	3,094,646	....
Toronto	10,000,000	6,000,000	10	758,252	1,066,168	....
Provincial	5,000,000	4,000,000	5	59,700	880,525	....
Commerce	50,000,000	30,000,000	6	921,488	6,875,516	....
Royal	50,000,000	35,000,000	6	908,723	9,747,235	....
Dominion	10,000,000	7,000,000	8	1,262,973	1,467,096	....
Nationale	10,000,000	7,000,000	6	114,086	1,590,412	....
Imperial	10,000,000	7,000,000	8	634,696	1,410,417	....
Barclays	1,500,000	1,500,000	....	10,034	362,200	....
Total	211,500,000	145,500,000	....	6,931,839	35,064,595	....

†And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin held in Canada $	Gold and Subsidiary Coin held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes and Cheques of Other Banks $	Govt. and Bank Notes other than Canadian $	Balances due by other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $
Montreal*	1,021,649	16,064	31,137,972	125,457,136	60,932,426	926,197	469	6,375,272	38,032,829
Nova Scotia	693,074	1,060,201	12,854,022	29,749,707	18,866,775	23,306,747	10	11,029,515	24,636,211
Toronto	458,661	....	7,136,203	21,916,881	11,475,180	207,222	....	302,822	4,801,696
Provincial	442,087	....	3,521,732	10,118,475	3,438,345	51,040	3,549	26,334	1,919,817
Commerce†	1,562,246	177,526	25,170,035	79,014,575	32,149,245	6,198,350	....	6,233,144	32,895,357
Royal	1,775,041	1,402,081	36,421,787	105,209,611	75,260,199	79,047,151	6,674	11,056,690	67,573,549
Dominion	462,243	329	4,531,446	23,243,681	8,801,926	170,717	....	1,666,107	8,346,216
Nationale	948,417	....	9,727,156	27,108,180	7,828,004	90,353	2,515,696	116,875	1,896,190
Imperial	565,155	....	8,706,969	13,743,054	13,254,073	240,863	672,988	393,959	5,591,073
Barclays	13,753	....	195,230	1,662,295	437,362	4,198	176,758	1,996,813	7,345,213
Total	8,842,326	2,656,201	139,402,552	437,223,595	232,443,485	110,242,838	3,376,144	39,197,531	193,038,151

NAME OF BANK	Dom. Gov. Short Term Sec. $	Dom. Gov. Long Term Sec. $	Prov. Gov. Short Term Sec. $	Prov. Gov. Long Term Sec. $	Canadian municipal securities $	Public Securities other than Canadian $	Other bonds and stocks $	Call and short loans in Canada $	Call and short loans elsewhere $	Current loans in Canada $
Montreal*	428,628,389	329,508,952	58,959,302	28,300,397	18,873,916	53,855,692	21,118,422	8,637,299	28,294,858	276,944,553
Nova Scotia	111,359,723	92,744,977	7,287,163	14,536,521	8,183,159	11,629,321	6,303,519	10,832,217	2,225,972	127,820,247
Toronto	72,317,658	91,510,398	4,851,865	8,182,937	1,228,410	....	4,896,161	4,965,710	....	60,673,758
Provincial	28,571,483	17,924,598	1,594,762	9,787,314	9,781,229	....	1,013,701	5,374,266	....	15,178,349
Commerce†	325,422,363	235,622,363	25,005,234	14,990,010	4,308,810	46,959,154	14,845,225	13,490,062	18,397,348	271,278,863
Royal	438,082,169	299,945,251	43,459,453	28,545,560	16,754,325	81,310,288	27,493,292	25,885,985	38,620,089	261,024,287
Dominion	72,150,417	65,581,319	904,633	1,294,165	592,004	1,614,100	1,833,130	1,661,927	8,614,609	74,262,576
Nationale	89,061,510	47,942,164	10,504,477	20,680,187	10,364,706	575,690	3,861,091	4,305,294	....	52,912,360
Imperial	101,859,194	66,162,284	4,308,896	8,546,551	6,724,459	....	1,215,260	5,297,350	....	86,056,914
Barclays	4,610,076	9,211,007	644,021	485,184	1,000	77,000	....	292,100	....	4,936,131
Total	1,672,062,982	1,256,153,313	157,519,806	135,348,826	76,812,018	196,021,245	82,579,801	80,742,210	91,152,876	1,231,088,038

NAME OF BANK	Current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-current loans $	‡Real estate other than Bank premises $	Bank Premises $	Deposit for note circulation $	Other assets $	▲Total assets $
Montreal*	9,343,432	1,947,988	11,667,765	219,595	283,406	12,900,000	481,554	2,543,281	1,576,900,74[illegible]
Nova Scotia	16,902,815	8,369	1,384,545	132,909	65,403	5,191,629	205,065	2,345,065	568,363,020
Toronto	....	146,030	2,658,150	19,693	8,294	2,770,269	64,935	209,949	302,040,301
Provincial	....	5,293	440,664	31,575	588,581	1,769,779	64,253	45,060	111,939,956
Commerce†	20,876,314	1,693,056	6,903,316	493,577	1,545,04[illegible]	12,735,877	500,000	4,924,122	1,227,966,263
Royal	79,117,470	2,109,729	8,815,745	585,143	1,486,551	12,276,453	625,000	4,015,117	1,790,251,802
Dominion	719,422	910,479	186,940	14,583	46,875	4,886,651	100,885	382,248	283,702,687
Nationale	....	655,474	2,039,873	23,137	1,297,759	4,346,400	105,657	280,234	299,483,040
Imperial	....	187,520	2,395,846	14,236	....	4,941,872	91,639	79,961	334,851,582
Barclays	....	....	....	115	....	692,260	24,352	13,085	34,154,580
Total	126,959,453	7,063,938	36,492,844	1,534,563	5,321,916	62,511,190	2,263,340	14,838,132	6,527,553,984

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡Includes mortgages.

▲Total assets include $124,064,545 letters of credit outstanding as shown in liabilities.

HOW easy it is to forget some of the obvious items of business such as keeping your insurance in tune with the changing conditions.

Such conversations as the one depicted above are an instance of this . . . costly new machines urgently needed and quickly placed in service on arrival plus other equipment waiting for use in happier times. But a wise and cautious secretary remembered, in spite of the rush, to cover them by insurance and thus protect his employer against possible loss.

All property and equipment which produces profit demands insurance protection which is additional to pure fire insurance. Have you looked into profits insurance and use and occupancy insurance?

In the more personal sphere of insurance you need protection on your car against public liability, property damage, fire and theft. To protect your furs, jewellery, or other personal possessions, you can obtain a "Personal Floater" policy.

And so on all through the gamut of hazards that beset people and material things—there is a type of insurance available through any of our agents to give you protection against financial loss.

THE LONDON & LANCASHIRE INSURANCE Co. Ltd

Associate Companies:—
Law Union and Rock Insurance Co. Limited
Mercantile Insurance Company
Quebec Fire Assurance Company
Offices in: Toronto, Vancouver, Winnipeg, Montreal, St. John, Quebec

Merchants Fire Insurance Company
Hand-in-Hand Insurance Company
The Queen City Fire Insurance Company
HEAD OFFICES: TORONTO

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FOR A GOOD NEW YEAR, USE NEWSPAPERS — which have, during the war period, proven themselves the best advertising medium again:

"Newspapers were chosen as the logical means of influencing the greatest possible number of people, particularly in the provinces where in normal times we do the greater part of our business."

(From the Vice-President and General Manager of a large Canadian manufacturing business in reference to a successful campaign where 72% of the appropriation was spent in newspapers.)

and again:

"We credit Canadian newspapers for much of the success of this campaign. Newspapers are the backbone of our advertising, for they are the cheapest and surest method of placing our story before the Canadian public."

(From the Advertising Manager of a large Canadian manufacturing business in reference to a successful nation-wide campaign, 85% of which was in daily newspapers.)

and again:

"Newspapers were selected as the principal medium, because it is felt that newspaper circulation penetrates the desired population and income groups with the greatest possible thoroughness."

(From an Advertising Agency in reference to a nation-wide Life Insurance campaign, 90% of which was in daily newspapers.)

TORONTO IS A "TELEGRAM" CITY

THE EVENING TELEGRAM
TORONTO - - - - - CANADA

MONTREAL: E. R. CHOWN — 1106 DOMINION SQUARE BUILDING

LONDON CALLING — BY ADELPHI

Look for New Alamein With Monty in Again

LONDON—There has been an understandable wave of satisfaction that Field Marshal Montgomery is once more in direct command of the American and British forces which have the principal task of throwing Rundstedt back over his own touch line.

There was a feeling at the time that levelling down of Montgomery's position to that of equality with American General Bradley was a bad mistake. Nor was this feeling in any way a disparagement of Bradley or his fine troops. It came from the knowledge that Montgomery had taken the measure of German mentality on every previous occasion and that from practical experience he knew how best to use British, Canadian and American troops whose difference in temperament are racial and understandable.

Montgomery is as crafty as a ferret and is usually one jump ahead of the German general he is fighting. At El Alamein he put himself in Rommel's place and worked out the complete German plan of attack by assuming that Rommel was a showman and would eschew the obvious. Montgomery's estimate proved correct and he was able to strike at Rommel at the decisive moment and send him into a retreat which ended only with the surrender of the Africa Korps.

Re-establishment of Montgomery suggests that General Eisenhower —who is incapable of pettiness or prejudice—believes that his previous decision was an error.

• • •

Are We Using Too Few Men On Europe's Western Front?

One thing that is perturbing British public opinion is a realization that according to published figures, the combined British, Canadian and American forces besieging Germany don't amount to more than two million men and even that may prove a generous estimate. I do not know the exact figures. If I did I would not be allowed to mention them. But what I give you has appeared in American newspapers and is republished today in the British press.

At a moderate estimate the British Empire and the U. S. A. must have 20 million men under arms. The British forces are divided between Western Europe, Italy, Burma and Greece, the Canadians between Italy and Holland and practically the entire Australian Army is in the Far East. It is a debatable point whether the attack against Japan is being made too soon and preventing the sheer preponderance of strength needed to crush Germany. Inevitably there are murmurings about the slow progress of the Russian Army but it has to operate with extended lines of communication and supplies, which limit its activity more than the German Army was ever able to do. In contrast, the Germans are operating on interior lines, with superb lines of communication and supplies.

Well, that is the military picture, far gloomier than anyone believed possible. But it may be useful in bringing the United Nations to a unity which they thought they could discard.

When Stalin, Roosevelt and Churchill meet, they will do so not as conquerors but as men with heavy tasks on their hands. That is all to the good.

It may even produce the old rallying cry of the three musketeers—"One for all and all for one."

• • •

London Gives Enthusiastic Welcome to John Bracken

London paused for an hour to welcome Mr. John Bracken and his companion Col. A. J. Brooks, who sits for the Royal New Brunswick Constituency.

While political London prides itself on keeping in close touch with the leading personalities in the public life of the Dominions, there was a slight difficulty in placing Bracken's exact status.

For one thing the press referred to him as leader of the Canadian Conservative Party and left out the word Progressive which is so dear to Bracken's heart. Our guest took this in good part however. The real difficulty was the fact that Bracken was not a member of the Canadian House of Commons. The English, who like to feel they invented politics, cannot quite understand how a man can lead a party for more than two years without being in Parliament. This has not lessened their respect or liking for their distinguished visitor but they could not help wondering what would happen if the same phenomenon existed over here.

The distinguished Canadian visitor shared honors with Field Marshal "Jumbo" Maitland Wilson at one of the monthly allied receptions arranged by Sir Jocelyn Lucas, M.P. Sir Jocelyn, who is as vague as he is kindly, mixed up Manitoba with Saskatchewan and as usual got most of his facts wrong in introducing the Progressive Conservative leader.

Bracken in reply said it reminded him of a story which he had forgotten. The sally drew much applause. The trouble with an ordinary speaker is that he never forgets a story. We all hope that our Canadian guest has set a fashion which will be widely followed.

CPR DEVELOPER

Gordon M. Hutt becomes development commissioner of the Canadian Pacific Railway.

WEST WITH CGE

H. M. Shockley transfers to the Vancouver district as central station engineer, Canadian General Electric Co., from the apparatus sales dept., Toronto.

B. A. Oil 1944 Earnings Equal to 1943 For Can.

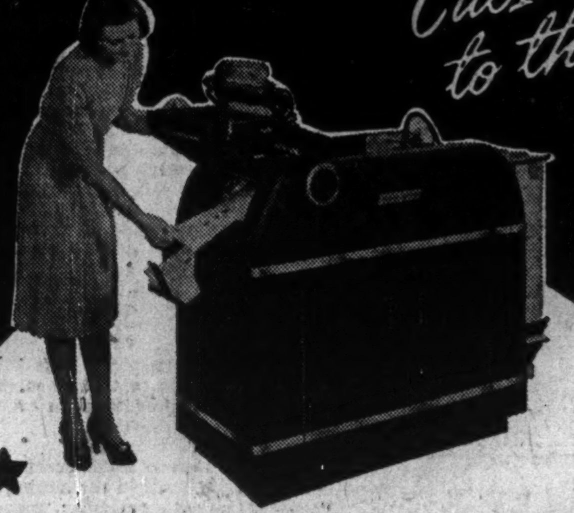
Net profits from Canadian operations equal to or slightly exceeding the equivalent of the $1.06 per share earned in Canada in 1943 by the British American Oil Co. are expected for 1944, according to W. K. Whiteford, president. During the year just past sales of all products were in excess of any previous year he states in his message to shareholders accompanying the dividend cheque for Jan. 2, 1945.

The company's postwar objective is summarized as follows: to manufacture high quality products that will adequately serve the advancing application of mechanical power; to contribute a rising standard of living by making available a wider range of goods as science discovers still more uses for the products of petroleum; and to render the best possible service to the people of Canada.

Canadian Car & Foundry Co. has declared a dividend of 50c. a share on the common stock, payable Jan. 16, 1945, to shareholders of record Dec. 27; ex-dividend Dec. 26. This is the first payment on the stock since 15c. was paid on May 30, 1932.

MULTILITH SYSTEMAT DUPLICATING

Cuts Costs to the Bone!



Systemat is a Revolutionary Development

Multilith Systemat Duplicating is the modern, simplified method of producing repeat writing, typing, drawing or printing to give you hundreds or thousands of clean sharp copies at an astonishingly *low cost*.

It's such a simple method to reproduce any desired quantity of any office or factory form. The Duplimat is a master sheet easily written on any standard typewriter, on any ordinary sheet of paper. Nothing strange or mysterious to learn. Type on them, write on them with pen and ink, draw on them with crayon pencil, brush or ruling pen, as you would on ordinary paper. In case of error, erase and correct as you do on any other paper. On the Multilith machine the Duplimat produces actual facsimiles of the master.

In addition to the use of these new Duplimats, there are many other ways too that Multilith can save time and money for your business. Send today for a trained Multigraph representative. Call or write to any branch throughout Canada.

Multigraph and Multilith are Registered Trade Marks of Addressograph-Multigraph of Canada Limited. Head Office and Factory—Toronto. Branches throughout Canada.

CANADIAN FACTORY
View of Multilith Assembly Department.

LIBRARY OF IDEAS

Free on request; information on business and industrial routines, ideas systems and short-cuts that perform outstanding service to Canadian business.

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TRADE MARK REG. U.S. PAT. OFF.
SIMPLIFIED BUSINESS METHODS

Kardex Individual account CONTROL *builds sales...*

In the to-morrow when many factors will be new and different, the "Fact-Power" so important in generating and applying sales power will be more vital than ever.

Present customers must be held and their purchases built up. Lost customers must be regained. New ones with unfamiliar buying habits must be sold against competition that is not yet well defined.

These problems re-emphasize the need for the complete and up-to-date information that brings speed and simplicity to customer control . . . the facts on which intelligent analysis, coordinating and planning are based.

This control and the best means of obtaining it is one of the important subjects discussed in a valuable new brochure "3 Ways to Build Sales in Post-War Markets".

We'd like you to have this brochure with our compliments. It is written from the sales manager's point of view. It confines itself to his problems, and methods that are successfully meeting them at the current time.

KARDEX SHOWS AT A GLANCE

Which customers are buying your complete line . . . When each customer bought last, how much, and what lines . . . When the last call was made . . . What are each customer's needs . . . What percentage you are getting . . . Who has stopped buying and why.

SALES MANAGERS:

"3 Ways to Build Sales in Post-War Markets" contains material that is of utmost value now. Ask your secretary to send for a free copy to-day. Phone or write our nearest Branch Office.

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